

# SPP Prospectus

## Euro Manganese Inc.

### (ARBN 627 968 567)

This Prospectus contains an offer of up to 7,692,307 CHESS Depository Interests (**CDIs**) at an issue price of A\$0.195 per CDI (**SPP CDIs**), together with up to 7,692,307 new free attaching unlisted Warrants (with a CAD\$0.225 exercise price and 23 November 2026 expiry date) (**SPP Warrants**) on the basis of one (1) SPP Warrant for every one (1) SPP CDI subscribed for and issued (together, the **SPP Securities**) to Eligible Securityholders under the Company's security purchase plan (**SPP**) to raise up to A\$1,500,000 (the **Offer**).

All A\$ dollar amounts are in Australian dollars (AUS) unless otherwise indicated.

Canaccord Genuity (Australia) Limited and Foster Stockbroking Pty Ltd are acting as Joint Lead Managers to the Offer.



The Offer is currently scheduled to close at 5:00PM (AEST) on 9 May 2025. Valid applications must be received by that time. Details of how to apply for SPP Securities are set out in the Application Form accompanying this Prospectus.

#### IMPORTANT NOTICE

This document is important and should be read in its entirety including the Application Form. If after reading this Prospectus you have any questions about the SPP Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser. The SPP Securities, Placement Warrants, Broker Warrants and Additional Warrants offered by this Prospectus should be considered as highly speculative.

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**1. Corporate Directory**

<b>Directors</b>	<b>Solicitors</b>
Rick Anthon <i>Chairman and Director</i>	MinterEllison Level 40, 'Governor Macquarie Tower' 1 Farrer Place Sydney NSW 2000
Dr. David Dreisinger <i>Director</i>	<b>Joint Lead Managers to the Offer and Placement</b>
Ludivine Wouters <i>Director</i>	Canaccord Genuity (Australia) Limited Exchange Tower, Level 23 2 The Esplanade Perth WA 6000  Foster Stockbroking Pty Limited Suite 1, Level 9 275 George St Sydney NSW 2000
Thomas M. Stepien <i>Director</i>	<b>Auditor*</b>
John Webster <i>Director</i>	PricewaterhouseCoopers LLP 1400 – 250 Howe Street Vancouver, British Columbia Canada, V6C 3S7
<b>Company Secretary</b>	<b>Share Registry*</b>
Laurel Petryk	Computershare Investor Services Pty Limited Level 4, 60 Carrington Street Sydney NSW 2000  Telephone: 1300 855 080 (within Australia) from 8:30am to 5:00pm Monday to Friday  Website: <a href="http://www.computersharecas.com.au/emnoffer">www.computersharecas.com.au/emnoffer</a>
<b>Registered Office</b> C/- MinterEllison, 'Governor Macquarie Tower', Level 40, 1 Farrer Place, Sydney, NSW 2000	<b>Email</b> <a href="mailto:info@mn25.ca">info@mn25.ca</a>
<b>Telephone</b>	<b>Website</b>
+1 (604) 681 1010	<a href="http://www.mn25.ca">www.mn25.ca</a>
	<b>ASX Code</b>
	EMN

\* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

## 2. Timetable and Important Notices

### 2.1 Timetable

Event	Date (Australian dates)
Record Date for the Offer	5 March 2025
Effective date of CDI Consolidation (see Section 3.2 of this Prospectus for further information)	1 April 2025
Lodgement of this Prospectus with ASIC	23 April 2025
Opening Date of the Offer under this Prospectus	28 April 2025
Closing Date of the Offer**	9 May 2025
Announcement of results of the Offer	15 May 2025
AGM	16 May 2025
Settlement of SPP Securities issued under the Offer	23 May 2025
Issue of SPP Securities issued under the Offer and lodgement of Appendix 2A with ASX	26 May 2025

\*\* Applicants under the Offer must ensure that their Application payment is received by this date.

### 2.2 Important Notes

This Prospectus relates to:

- the issue of up to 7,692,307 SPP CDIs and 7,692,307 SPP Warrants;
- the issue of up to 54,578,350 Placement Warrants to participants of the Placement;
- the issue of up to 4,904,478 Broker Warrants to the Joint Lead Managers; and
- the issue of up to 22,263,733 Additional Warrants to Orion,

by the Company.

This Prospectus is dated 23 April 2025 and was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

This Prospectus:

- (a) is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act; and

- (b) has been prepared for the offer of the SPP Warrants, the Placement Warrants, the Broker Warrants and the Additional Warrants such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available. Specifically, if these warrants are issued with disclosure under this Prospectus, then those warrants as well as the Securities issued upon the exercise of such warrants can be on-sold within 12 months of their issue without a disclosure document for the on-sale offer (even if the Securities were issued without disclosure or lodgement of a cleansing statement), as the SPP Warrants, the Placement Warrants, the Broker Warrants and the Additional Warrants are issued with disclosure and the exercise of such warrants does not involve any further offer.

This Prospectus does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

Certain capitalised words or expressions used in this Prospectus have defined meanings which are set out in the Glossary in Section 10 of this Prospectus.

#### **Warning statement**

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

Additional warning statement: currency exchange risk

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

Additional warning statement: trading on financial product market

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

### **2.3 ASIC Instrument and ASX Listing Rule 7.2, Exception 5**

In certain circumstances, a listed company may undertake a share purchase plan in accordance with the ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**ASIC Instrument**). The ASIC Instrument allows a share purchase plan to be conducted without the use of a prospectus once in any consecutive 12-month period.

The Company is unable to rely on the relief granted by the ASIC Instrument in respect of the SPP Warrants as the relief given under the ASIC Instrument only relates to offers of fully paid ordinary securities and the Offer under this Prospectus includes free attaching unlisted SPP Warrants. The Company is therefore undertaking the offer of SPP Securities under this Prospectus.

Similarly, ASX Listing Rule 7.2 (Exception 5) permits a listed company to issue securities under a share purchase plan without that issuance counting towards the Company's placement capacity under ASX Listing Rule 7.1 where the issuance satisfied the condition of the ASIC Instrument. As the Company is unable to satisfy the conditions of the ASIC Instrument for the SPP, the issue of SPP Securities is conditional on Shareholder approval being obtained at the Company's AGM, for the purposes of ASX Listing Rule 7.1.

### **2.4 Target Market Determination**

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of SPP Securities issued under this Prospectus. The Company and the Joint Lead Managers will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website ([www.mn25.ca](http://www.mn25.ca)) under the Investors tab. By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

### **2.5 Risk Factors**

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

### **2.6 Eligible Securityholders**

The Offer is being made to Shareholders with a registered address in Australia and New Zealand who were registered holders of CDIs on the Record Date (**Eligible Securityholders**).

### **2.7 Overseas investors**

The Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of SPP Securities these Shareholders would be offered and the cost of complying with the regulatory requirements in each relevant jurisdiction. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue or circulate this Prospectus or to offer the Securities.

In addition, this Prospectus does not constitute a prospectus under Canadian securities laws. This Prospectus is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities referred to in this document in Canada. Neither the TSXV nor any securities commission or similar authority in Canada has reviewed or in any way passed upon this Prospectus or the merits of the securities described and any representation to the contrary is an offence.

## **2.8 Not financial product advice**

The information in this Prospectus is not financial product advice and has been prepared without taking into account your financial and investment objectives, financial situation or particular needs (including financial or taxation issues).

## **2.9 Taxation implications**

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of applying for SPP Securities under this Prospectus. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with applying for SPP Securities under this Prospectus.

## **2.10 Disclaimer**

No person is authorised to give any information or to make any representation in connection with the Offer in this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

## **2.11 Forward-looking statements**

Some of the statements appearing in this Prospectus are in the nature of forward-looking statements, including statements of intention, opinion and belief and predictions as to possible future events. Such statements are not statements of fact and are subject to inherent risks and uncertainties (both known and unknown) which may or may not be within the control of the Company. You can identify such statements by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and are predictions or indicative of future events. Although the Directors believe these forward-looking statements (including the assumptions on which they are based) are reasonable as at the date of this Prospectus, no assurance can be given that such expectations or assumptions will prove to be correct. Actual outcomes, events and results may differ, including due to risks set out in Section 7 of this Prospectus.

The Company and its Directors, officers, employees and advisors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Company does not intend to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.



## 2.12 Website – Electronic Prospectus

A copy of this Prospectus can be downloaded from the Company's website at [www.mn25.ca](http://www.mn25.ca). If you are accessing the electronic version of this Prospectus for the purpose of making an application under the Offer, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

## 2.13 Application Forms

Eligible Securityholders wishing to participate in the Offer can access their personalised Application Form and download an electronic copy of the Prospectus via the website of the Company's Share Registry, Computershare Investor Services Pty Limited at [www.investorcentre.com/au](http://www.investorcentre.com/au)

The Company will provide the Joint Lead Managers, in respect of the Broker Warrants, and Orion, in respect of the Additional Warrants, with details of how to apply for the Broker Warrants and the Additional Warrants (as the case may be) and the relevant Application Forms will accompany this Prospectus.

Applications for SPP Securities offered by this Prospectus can only be submitted in accordance with the Application Form which accompanies this Prospectus.

The Corporations Act prohibits any person passing onto another person an Application Form for securities unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company on +1 (604) 681 1010 or by email at [info@mn25.ca](mailto:info@mn25.ca).

The Company reserves the right not to accept an Application Form for any reason, including from a person if it has reason to believe that when that person was given access to the Application Form, it was not provided together with the Prospectus and any relevant supplementary or replacement Prospectus or any of those documents were incomplete or altered.

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## 3. Background to the Offer

### 3.1 Placement, SPP, Broker Warrants and Additional Warrants

On 6 March 2025, the Company announced that it had received firm commitments from the European Bank for Reconstruction and Development (**EBRD**) and related parties of the Company (consisting of Directors of the Company and companies controlled by Directors of the Company) (**Related Parties**) (amongst others) for a conditional private placement (**Placement**).

Due to strong demand, on 2 April 2025, the Company announced that the Placement had been upsized subject to regulatory approval and confirmed on 14 April 2025. The Placement now comprises the issue of 39,671,662 Shares (**Placement Shares**) and 14,906,688 CDIs (**Placement CDIs**) at an issue price of CAD \$0.18 per Placement Share and A\$0.195 per Placement CDI to raise approximately A\$9,800,000 (before costs), together with 54,578,350 free-attaching unlisted Warrants (with a CAD\$0.225 exercise price and a 23 November 2026 expiry date) (**Placement Warrants**) on the basis of one (1) Placement Warrant for every one (1) Placement Share or Placement CDI issued (**Placement**). The issue of Securities under the Placement is conditional on receipt of Shareholder approval at the AGM.

Under the Placement:

- (a) 14,650,278 CDIs and 14,650,278 Warrants were subscribed for by sophisticated and professional investors for aggregate gross proceeds of A\$2,900,000;
- (b) 21,400,000 Shares and 21,400,000 Warrants were subscribed for by EBRD for gross proceeds of A\$4,200,000;
- (c) 18,063,331 Shares and 18,063,331 Warrants were subscribed for by 2176423 Ontario Ltd (nominee of Mr. Eric Sprott) for gross proceeds of A\$3,300,000; and

- (d) 208,331 Shares, 256,410 CDIs and 464,741 Warrants were subscribed for by Related Parties for gross proceeds of A\$91,200.

The Company also announced on 6 March 2025 that it intended, subject to compliance with ASX Listing Rules, to undertake a securities purchase plan to raise up to A\$4,000,000 (before costs) from Eligible Securityholders. The Company has now determined that the amount to be raised under the Offer will be reduced from A\$4,000,000 to A\$1,500,000. The SPP will now be reduced to up to A\$1,500,000 whereby OMRF (BK) LLC (**Orion**) has also agreed that it will subscribe for any SPP Securities not taken up by Eligible Securityholders on the same terms as the Offer, subject to regulatory requirements, receipt of any required regulatory approvals and completion of the Placement and the Offer.

The issue of the SPP Securities is subject to receipt of Shareholder approval at the AGM.

Additionally, Canaccord Genuity and Foster Stockbroking will be issued 4,904,478 warrants (which on exercise will entitle the holder to receive one Share or CDI for each Warrant exercised) (**Broker Warrants**). The Broker Warrants are exercisable at any time prior to the date that is 24 months from 23 May 2025, and have an exercise price of CAD\$0.225 per Share.

The issue of the Broker Warrants is also subject to receipt of Shareholder approval at the AGM.

On 3 December 2024, pursuant to an amendment to the Company's Convertible Loan Royalty Agreement with Orion, the Company agreed, subject to receipt of regulatory approvals, to issue to Orion up to 22,263,733 Warrants to purchase Shares (**Additional Warrants**), exercisable any time prior to the date that is 18 months from 23 May 2025, with an exercise price of CAD\$0.225 per Share.

The issue of the Additional Warrants is also subject to receipt of Shareholder approval at the AGM.

The funds raised under the Placement and Offer are to be used to support ongoing development of the Chvaletice Manganese Project and customer engagements to secure additional offtake term sheets and strategic investments (refer to Section 5.2 of this Prospectus below for further details).

Funds from the Placement and SPP (including the funds received following the exercise of any SPP Warrants, Broker Warrants, Placement Warrants or the Additional Warrants) will be used by the Company to further advance the Project in the Czech Republic, including: funding working capital and corporate costs to support project development, including negotiation of offtake agreements and strategic investments; operation of the high-purity electrolytic manganese metal (HPEMM) and high-purity manganese sulphate monohydrate (HPMSM) demonstration plant as deemed appropriate by the Company; land access and acquisition payments (under current agreements); and negotiation of remaining land access rights, and for other general corporate purposes.

### 3.2 Consolidation

Effective 31 March 2025 in Canada, the Company undertook a consolidation of its existing Securities, including all Shares represented by CDIs on the ASX, at a ratio of five (5) pre-consolidation shares to one (1) post-consolidation share (**Consolidation**). Subscription for the Offer will be completed on a post-consolidation basis. All Share, CDI and Warrant figures set out in this Prospectus are on a post-consolidation basis.

### 3.3 The Offer

Under the Offer, Eligible Securityholders may apply for up to A\$30,000 worth of CDIs in the Company at A\$0.195 per CDI (**SPP CDIs**), together with one (1) free attaching unlisted Warrant on the same terms as the Placement Warrants (i.e. they will have an CAD\$0.225 exercise price and a 23 November 2026 expiry date) (**SPP Warrants**) for every one (1) SPP CDI subscribed for (together, the **SPP Securities**). Eligible Securityholders should note that the subscription amount

for the SPP CDIs will be in A\$ but the exercise price for the SPP Warrants will be in CAD\$. As noted above, the issue of any SPP Securities under the Offer is conditional on receipt of Shareholder approval for their issue at the AGM.

In accordance with the ASX required timetable, the Record Date for eligibility to participate in the Offer is 5 March 2025.

The Offer seeks to raise up to A\$1,500,000<sup>1</sup> (before costs) and so comprises an offer of up to 7,692,307 SPP CDIs and up to 7,692,307 SPP Warrants.

Eligible Securityholders should refer to Section 4.5 of this Prospectus below for how to apply for SPP Securities under the Offer. By applying for SPP Securities you agree to be bound by the Articles of the Company and the terms and conditions of the Offer specified in the Application Form and as set out in this Prospectus.

The Offer is being undertaken by Prospectus as it includes an offer of Warrants (which are not and will not be listed on ASX) and so the Company is unable to rely on the ASIC Instrument which allows a share purchase plan to be conducted without the use of a prospectus once in any consecutive 12-month period.

On 1 April 2025, Orion agreed that it would subscribe for any SPP Securities not taken up by Eligible Securityholders on the same terms as the Offer, subject to regulatory requirements, the receipt of any required regulatory approvals and completion of the Placement and the Offer.

Refer to Section 4.5 of this Prospectus below for how to apply under the Offer.

### **3.4 Placement Warrants, Broker Warrants and Additional Warrants**

This Prospectus also relates to the issue of up to 54,578,350 Placement Warrants to the participants of the Placement as well as 4,904,478 Broker Warrants to the Joint Lead Managers as part of their consideration of lead managing the Offer and the Placement and the issue of 22,263,733 Additional Warrants to Orion pursuant to an amendment to the Company's Convertible Loan Royalty Agreement. Details of how to apply for the Broker Warrants and the Additional Warrants will be provided to the Joint Lead Managers and Orion, respectively, by the Company together with this Prospectus.

The issue of the Placement Warrants, the Broker Warrants and the Additional Warrants is also subject to receipt of Shareholder approval at the AGM. The Additional Warrants are also subject to regulatory approval.

### **3.5 Annual General Meeting**

The Company requires Shareholder approval to undertake the Offer without using up its placement capacity under ASX Listing Rule 7.1 (as a result of being unable to rely on the ASIC Instrument in respect of the Offer). At the AGM to be held on 15 May 2025 in Canada, Shareholder approval will be sought for (amongst others) the approval for the issue of the SPP Securities under the Offer, the Placement Shares and the Placement Warrants under the Placement and the issue of the Broker Warrants and the Additional Warrants.

Further details of the resolutions proposed to be passed by the Company in connection with the Placement and the Offer are set out in the management information circular dated 11 April 2025, which the Shareholders should now have received and is posted on the Company's website and on SEDAR+.

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<sup>1</sup> This does not include any proceeds which may be received by the Company as a result of the exercise of the SPP Warrants.

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## 4. Details of the Offer

### 4.1 Summary of the Offer

The Offer is an offer to each Eligible Securityholder to subscribe for up to A\$30,000 worth of CDIs at an issue price of \$0.195 per CDI. In addition, Eligible Securityholders will also receive one free attaching unlisted (1) Warrant for every one (1) CDI subscribed for and issued under the Offer.

The purpose of the Offer and the use of the funds raised pursuant to the SPP are set out in Section 5.2 of this Prospectus.

All of the SPP CDIs offered under the Offer pursuant to this Prospectus will rank equally with the CDIs on issue at the date of this Prospectus. Please refer to Section 6.1 of this Prospectus for further information regarding the rights and liabilities attaching to the CDIs.

The SPP Warrants issued under this Prospectus will be exercisable at CAD\$0.225 on or before 5:00pm (AEDT) 23 November 2026 and otherwise on the terms set out in Section 6.2 of this Prospectus. All of the CDIs issued upon exercise of the SPP Warrants will rank equally with the CDIs on issue at the date of this Prospectus.

Eligible Securityholders should note that the subscription amount for the SPP CDIs will be in A\$ but the exercise price for the SPP Warrants will be in CAD\$.

The Offer is non-renounceable, meaning that Eligible Securityholders may not transfer their rights to any SPP Securities offered under the Offer.

No funds will be raised from the issue of SPP Warrants until such time they are exercised as they are free attaching to CDIs issued under the SPP on a one (1) for one (1) basis.

### 4.2 Eligibility to participate in Offer

Only Eligible Securityholders may participate in the Offer. 'Eligible Securityholders' for the purpose of the Offer are Shareholders:

- (a) who were registered holders of CDIs on the Record Date; and
- (b) whose registered address is in Australia and New Zealand.

If you are the only registered Shareholder of a holding of CDIs, but you receive more than one Offer (for example because you hold CDIs in more than one capacity), you may only apply for one parcel of SPP CDIs with a value of up to A\$30,000.

The Company reserves the right to reject any application for CDIs under this Prospectus to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements.

An Eligible Shareholder that holds CDIs as a custodian (as defined in ASIC Instrument 2019/547 (**Custodian**)) may apply for up to the maximum value of CDIs for each beneficiary for whom they act as custodian provided they complete and provide a certificate (**Custodian Certificate**). Custodians wishing to apply for SPP Securities on behalf of more than one beneficiary should contact the Share Registry and request a Custodian Certificate and schedule.

Every applicant for SPP Securities acknowledges they are lawfully permitted to accept the Offer in accordance with the laws applicable in Australia and New Zealand and any other applicable laws in the jurisdiction in which the beneficial owner of the registered holding is situated.

In the event of oversubscriptions by the Closing Date, the Directors may, in their absolute discretion, scale-back applications on a pro rata equitable basis. Participation in the Offer is optional and is subject to the terms and conditions set out in this Prospectus.

#### 4.3 Opening and Closing Date of the Offer

The Opening Date of the Offer will be 28 April 2025 and the Closing Date for the Offer will be 5:00pm AEST on 9 May 2025.

The Directors reserve the right to close the Offer early or extend the Closing Date (as the case may be), or withdraw the Offer, should it be considered by them necessary to do so.

#### 4.4 Minimum and Maximum Subscription

The minimum application amount under the Offer is A\$2,000.

The Company is seeking to raise a maximum of A\$1,500,000 (before costs) under the Offer.

On 1 April 2025, Orion agreed that if there is a shortfall between the maximum amount of the SPP and the total amount of SPP Securities taken up under the SPP, Orion will subscribe for any SPP Securities not taken up by Eligible Securityholders on the same terms as the Offer, subject to regulatory requirements, receipt of any required regulatory approvals and completion of the Placement and the Offer.

#### 4.5 Application for SPP Securities under the Offer

Eligible Securityholders may apply for SPP Securities under the Offer by following the instructions outlined on their personalised Application Form.

Pursuant to the Offer, Eligible Securityholders may apply for CDIs with a maximum value of A\$30,000. Eligible Securityholders may participate by selecting one of the following options to purchase SPP CDIs under the Offer:

	Application Amount	Number of SPP CDIs which may be purchased	Number of SPP Warrants to be received
Offer A	A\$2,000	10,256	10,256
Offer B	A\$5,000	25,641	25,641
Offer C	A\$10,000	51,282	51,282
Offer D	A\$15,000	76,923	76,923
Offer E	A\$20,000	102,564	102,564
Offer F	A\$25,000	128,205	128,205
Offer G	A\$30,000	153,846	153,846

Where the amount applied for results in a fraction of an SPP Security the number of SPP Securities issued will be rounded down to the nearest whole SPP Security.

To participate in the Offer, payment of the application moneys must be made per the instructions in section 4.6 below and as set out on the Application Form, with sufficient time to be received by or on behalf of the Company by **no later than 5.00pm (AEST) on the Closing Date**.

The Company reserves the absolute discretion to scale back applications under the Offer to the extent and in the manner it sees fit. If the Company undertakes a scale back, you will receive the number of SPP Securities determined by the Company in its absolute discretion which may be

less than the number of SPP Securities applied for. In this case, the difference between the application moneys received and the number of SPP CDIs allocated to you multiplied by the issue price per SPP CDI may be refunded to you by direct credit (to your nominated account recorded on the Company's share register) as soon as practicable, without interest.

If you require assistance in accepting the Offer, please contact the Company's Investor and Media Relations – Australia, Jane Morgan Management at +61 (0) 405 555 618 or at

[jm@janemorganmanagement.com.au](mailto:jm@janemorganmanagement.com.au) or the Company on +1 (604) 681 1010 or at [info@mn25.ca](mailto:info@mn25.ca).

The Company will provide the Joint Lead Managers, in respect of the Broker Warrants, and Orion, in respect of the Additional Warrants, details of how to apply for the Broker Warrants and the Additional Warrants (as the case may be) and relevant Application Forms will accompany this Prospectus.

#### **4.6 Payment – Offer**

Payment for SPP Securities must be by BPAY® in accordance with the instructions on the Application Form.

Payments will not be accepted by cheque.

By paying BPAY®:

- (a) you do not need to submit the Application Form but are taken to have made the declarations on that Application Form; and
- (b) you will be deemed to have applied for such whole number of SPP Securities which is covered in full by your application monies.

**It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5:00pm (AEST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of SPP Securities (only where the amount is A\$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.**

Please note that to pay by EFT or BPAY® you must make payment using your unique reference number for payment as shown on your Application Form Failure to do so may result in your funds not being allocated to your Application and the SPP Securities not being issued (and the funds refunded).

Applications under the Offer must be made for a minimum of 10,256 SPP CDIs.

#### **4.7 Issue of SPP Securities**

The issue of SPP Securities offered under the Offer is conditional on receipt of Shareholder approval for the issue at the AGM and, if approved by Shareholders at the AGM, will take place in accordance with the ASX Listing Rules and the timetable set out in this Prospectus.

The Directors, in consultation with the Joint Lead Managers, will determine the allottees of all the SPP Securities under the Offer. The Directors reserve the right to decline any applications received, or to issue a lesser number of SPP Securities than that applied for. Where the number of SPP Securities issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date of the Offer.

Pending the issue of the SPP Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for SPP Securities issued under the Offer will be mailed as soon as practicable after the issue of the SPP Securities.

#### **4.8 ASX Listing – SPP CDIs**

Subject to Shareholder approval for the issue of the SPP Securities being received at the AGM, application for Official Quotation of the SPP CDIs offered pursuant to this Prospectus will be made in accordance with the timetable set out at in this Prospectus. If ASX does not grant Official Quotation of the CDIs offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by ASIC), the Company will not issue any SPP Securities and will repay all application monies for the SPP Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the SPP CDIs is not to be taken in any way as an indication of the merits of the Company or the SPP Securities now offered for subscription.

The SPP Warrants issued will not be listed on the ASX or any other securities exchange.

#### **4.9 Restrictions on distribution of Prospectus**

The Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The Offer is not being extended and SPP Securities will not be issued to investors with a registered address which is outside Australia and New Zealand.

Residents of countries outside Australia or New Zealand should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up SPP Securities on the basis of this Prospectus. The payment of application monies in accordance with an Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

#### **4.10 Enquiries**

Any questions concerning the Offer should be directed to the Company's Investor and Media Relations – Australia, Jane Morgan Management at +61 (0) 405 555 618 or by email at

[jm@janemorganmanagement.com.au](mailto:jm@janemorganmanagement.com.au) or the Company on +1 (604) 681 1010 or by email at [info@mn25.ca](mailto:info@mn25.ca).

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## **5. Purpose and Effect of the Offer**

### **5.1 Purpose of the Offer**

The purpose of the Offer is to raise up to A\$1,500,000<sup>2</sup> (before costs) from Eligible Securityholders. Any SPP Securities not taken up by Eligible Securityholders will be subscribed for by Orion on the same terms as those offered to Eligible Securityholders under the Offer, subject to receiving regulatory approval from the TSXV Shareholder approval, and successful completion of the Placement.

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<sup>2</sup> This does not include any proceeds which may be received by the Company as a result of the exercise of the SPP Warrants.

## 5.2 Use of funds

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Proceeds of the Offer	Full Subscription (A\$1,500,000) <sup>3</sup>	%
Ongoing development of the Chvaletice Manganese Project and customer engagements to secure additional offtake term sheets and strategic investments	A\$1,273,900	84.93%
Expenses of the Offer	A\$226,100	15.07%
<b>Total</b>	<b>A\$1,500,000</b>	<b>100%</b>

Refer to Section 8.9 of this Prospectus for further details relating to the estimated expenses of the Offer.

The table above is a statement of current intentions of the Board as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

## 5.3 Effect of the Offer

The principal effect of the Offer, assuming Shareholder approval for the issue of the SPP Securities is received at the AGM and that the Company issues the maximum number of SPP Securities under the Offer, will be to:

- (a) increase the cash reserves of the Company by A\$1,500,000<sup>4</sup> (less the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of CDIs on issue from 40,961,425 CDIs to 63,560,420 CDIs following completion of the Offer and the Placement (subject to rounding); and
- (c) increase the number of Warrants on issue from nil up to 89,438,868 following completion of the Offer and the Placement (subject to rounding).

## 5.4 Effect of Offer on capital structure

The effect of the Offer on the capital structure of the Company assuming the Company issues the maximum number of Securities under the Offer and the Placement is set out below.

CDIs	Number
CDIs currently on issue	40,961,425
CDIs offered pursuant to the Offer	7,692,307

<sup>3</sup> This does not include any proceeds which may be received by the Company as a result of the exercise of the SPP Warrants.

<sup>4</sup> This does not include any proceeds which may be received by the Company as a result of the exercise of the SPP Warrants.



CDIs offered pursuant to the Placement	14,906,688
<b>Total CDIs on issue after completion of the Offer and the Placement</b>	<b>63,560,420</b>

<b>Warrants</b>	<b>Number</b>
Warrants currently on issue	Nil
Warrants under the Offer	7,692,307
Warrants offered pursuant to the Placement	54,578,350
Warrants offered pursuant to the Broker Warrants	4,904,478
Warrants offered pursuant to the Additional Warrants	22,263,733
<b>Total Warrants on issue after completion of the Offer</b>	<b>89,438,868</b>

The capital structure on a fully diluted basis as at the date of this Prospectus comprises 80,533,847 Shares (including 40,961,425 CDIs).

On completion of the Offer and Placement and assuming Shareholder approval is received for the issue of the Securities under the Offer and the Placement at the AGM and assuming the maximum number of Securities are issued, the capital structure of the Company on a fully diluted basis will be as follows:

<b>Securities</b>	<b>Number</b>
Shares (including 63,560,420 CDIs)	142,804,504
Options	4,285,397
Warrants	89,438,868

## 5.5 Pro-forma statement of financial position

Shown below is the unaudited statement of financial position as at 31 December 2024 and an unaudited pro-forma statement of financial position as at 31 December 2024 adjusted to show the effect of the Offer and Placement (should Shareholders approve the issue of Securities under the Offer and the Placement at the AGM).

The pro-forma statement of financial position assumes the maximum number of SPP Securities offered under this Prospectus are issued (i.e. A\$1,500,000 is raised under the Offer<sup>5</sup>, no existing Warrants are exercised and including expenses of the Offer). The statements of financial position have been prepared on the basis of the accounting policies normally adopted by the Company.

<sup>5</sup> The proforma does not include any proceeds which may be received by the Company as a result of the exercise of the SPP Warrants, the Broker Warrants or the Additional Warrants.

The pro-forma statement of financial position has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by International Accounting Standards applicable to annual financial statements.

	<b>UNAUDITED 31 December 2024 (CAD in thousands)</b>	<b>UNAUDITED PRO-FORMA 31 December 2024 post Offer (CAD in thousands)</b>
<b>Current assets</b>		
Cash and cash equivalents	5,368	16,519
Receivables	630	630
Other current assets	1,130	1,130
<b>Total current assets</b>	<b>7,128</b>	<b>18,279</b>
<b>Non-current assets</b>		
Exploration and evaluation assets	6,774	6,774
Plant and equipment	18,364	18,364
Deferred transaction costs	1,880	1,880
Other assets	1,455	1,455
<b>TOTAL ASSETS</b>	<b>35,601</b>	<b>46,752</b>
<b>Current liabilities</b>	3,944	4,855
<b>Non-current liabilities</b>	<b>28,518</b>	<b>28,518</b>
<b>TOTAL LIABILITIES</b>	<b>32,462</b>	<b>33,373</b>
<b>Equity</b>		

	UNAUDITED 31 December 2024 (CAD in thousands)	UNAUDITED PRO-FORMA 31 December 2024 post Offer (CAD in thousands)
Share capital	78,733	88,973
Reserves	8,440	8,440
Other comprehensive income	126	126
Accumulated losses	(84,160)	(84,160)
<b>TOTAL EQUITY</b>	<b>3,139</b>	<b>13,379</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>35,601</b>	<b>46,752</b>

## 5.6 Effect on substantial shareholders

Based on the information available to the Company through the Share Registry as at the date of this Prospectus, there are no Shareholders who (together with their associates) have a relevant interest in 5% or more of the Shares on issue. In addition, the Shareholders who (together with their associates) have a relevant interest in 5% or more of the Shares on issue on completion of the Offer and Placement are set out below (assuming the Offer is fully subscribed, Shareholders approve the issue of Securities under the Offer and the Placement at the AGM, and no other Shares or CDIs are issued)

Substantial Shareholder	Securities held post SPP	% share-holding
EBRD	43,560,000	19.96
2176423 Ontario Ltd (Eric Sprott)	33,333,332	14.35

## 6. Rights and Liabilities attaching to Shares, CDIs and Warrants

### 6.1 Shares

The rights and liabilities attaching to ownership of Shares (which are the financial product underlying the CDIs) are detailed in the articles of the Company (**Articles**), which may be obtained electronically on request, or in certain circumstances, regulated by the BCBCA.

A summary of the significant rights, liabilities and obligations attaching to the Shares, CDIs and Warrants and a description of other material provisions of the Articles are set out below. This summary is not exhaustive, nor does it constitute a definitive statement of the rights and liabilities of Shareholders.

The Articles are subject to the BCBCA and the ASX Listing Rules.

#### (a) Voting at a general meeting

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution. The quorum for the transaction of business at a meeting of shareholders is two shareholders who hold (on aggregate) at least 5% of the issued shares entitled to vote at the meeting. If there is only one shareholder entitled to vote at a meeting of shareholders, then the quorum is met by that shareholder (or as represented by proxy) being present at the meeting.

Every motion put to a vote at a meeting of shareholders will be decided on a show of hands, unless a poll is directed by the chair or demanded by at least one shareholder entitled to vote in person or by proxy.

(b) **Meetings of Shareholders**

The Company must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual general meeting. The directors may call a meeting of shareholders, and the Company must send notice of the date, time and location of any meeting at least 21 days before the meeting is held.

(c) **Dividends**

The directors may from time to time declare and authorise payment of such dividends as they deem advisable. The directors need not give notice to shareholders of such declaration. All dividends on shares of any class or series must be declared and paid according to the number of shares held.

The directors may set a record date for the purposes of determining shareholder entitlement to dividends, and this date must not precede the date on which the dividend is to be paid by more than two months.

(d) **Transfer of Shares**

A transfer of a share of the Company must not be registered unless:

- (i) a duly signed instrument of transfer has been received by the Company;
- (ii) any share certificate has been surrendered to the Company; and
- (iii) any non-transferrable written acknowledgement of the shareholder's right to obtain a share certificate has been surrendered to the Company.

If a shareholder signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgement deposited with the instrument of transfer:

- (iv) in the name of the person named as transferee in that instrument of transfer; or
- (v) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

In relation to the registration of any transfer, the amount, if any, determined by the directors must be paid to the Company.

(e) **Issue of Shares**

The Company may issue, allot, sell or otherwise dispose of the unissued and issued shares held by the Company, at all times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

No share may be issued until it is fully paid.

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration for that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

The Company may issue share purchase warrants, options or rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time. The above is subject to TSXV Rules (as hereinafter defined), where applicable, and applicable securities laws and the BCBCA.

(f) **Variation of Class Rights**

The Company may, by special resolution, create special rights or restrictions for Shares or classes of Shares or vary such rights or restrictions attaching to Shares.

(g) **Directors – Election and Removal**

The shareholders entitled to vote at an AGM for the election of directors must elect, or in a written unanimous resolution appoint, a board of directors. All the directors cease to hold office immediately before the election or appointment of directors but are eligible for re-election or re-appointment.

No election, appointment or designation of an individual as a director is valid unless:

- (i) that individual consents to be a director in the manner provided for in the BCBCA;
- (ii) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (iii) with respect to first directors, the designation is otherwise valid under the BCBCA.

If, at any meeting of shareholders where there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office to complete the number of directors for the time being set pursuant to the Articles until further new directors are elected at a meeting of shareholder convened for that purpose. If any such election of continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to the Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

Any casual vacancy in the board of directors may be filled by the directors.

If the Company has no directors or fewer directors in office than the number set pursuant to the Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

The Company may remove any director before the expiration of their term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

The directors may remove any director before the expiration of their term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

The Articles further provide that between AGMs, the directors may appoint one or more additional directors, provided that the number of additional directors appointed does not at any time exceed one-third of the number of current directors who were elected or appointed as directors other than in accordance with this provision.

**(h) Directors – Voting**

Questions arising at any meetings of directors are to be decided by a majority of votes. In the case of an equality of votes, the chair of the meeting does have a second or casting vote.

Other than for meetings held at regular intervals, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting, must be given to each of the directors and the alternate directors.

**(i) Directors – Remuneration**

Directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

The Company must reimburse each director for the reasonable expenses incurred in and about the business of the Company.

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependents and may make contribution to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

**(j) Powers and Duties of Directors**

The directors must manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not required to be exercised by the shareholders of the Company.

(k) **Indemnities**

The Company must indemnify a director, former director, or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with the Company on these terms.

The failure of a director, or alternate director or officer of the Company to comply with the BCBCA or the Articles does not invalidate any indemnity to which he or she is entitled.

(l) **Amendments**

The Company may by resolution of the directors or special resolution alter the name of the Company or, if the BCBCA or the Articles does not specify another type of resolution, alter the Articles by special resolution, subject to any regulatory or stock exchange requirements applicable to the Company.

Amendments that may be carried out by resolution of the directors include, but are not limited to, the subdivision or consolidation of all or any of the Company's unissued, or fully paid issued, shares.

## 6.2 Warrants

The following is a broad summary of the more significant rights, privileges and restrictions attaching to the SPP Warrants, the Placement Warrants, the Broker Warrants and the Additional Warrants.

The SPP Warrants, the Placement Warrants, the Broker Warrants and the Additional Warrants entitle the holder to subscribe for the number of CDIs set forth in the applicable Warrant Certificate (**Subscription Rights**) on the terms and conditions set out below.

- (a) The exercise price to purchase the CDIs, subject to certain adjustment events, is CAD\$0.225 per CDI (as applicable) (**Warrant Exercise Price**).
- (b) The expiry date of the SPP Warrants, the Placement Warrants, the Broker Warrants and the Additional Warrants will be their relevant Expiry Dates. The SPP Warrants and the Placement Warrants will become wholly void and the unexercised portion of the Subscription Rights will expire and terminate at 5:00 p.m. (Vancouver time) on the relevant Expiry Date (**Expiry Time**).
- (c) The Subscription Rights may be exercised in whole or in part. If partially exercised, a new Warrant Certificate reflecting the outstanding Subscription Rights will be issued to the holder.
- (d) The Warrant Exercise Price must be paid to the Company in Canadian dollars by certified cheque, bank draft, money order or wire transfer to an account specified by the Company.
- (e) The Subscription Rights are subject to the following limitations:
  - (i) No fractional CDIs will be issuable upon exercise of the Subscription Rights, and the holder will not be entitled to any cash payment or compensation in lieu of a fractional CDI.

- (ii) The Subscription Rights cannot be exercised if, following the exercise, the holder and its associates and affiliates and any other persons or entities who could be deemed to acting “in concert” with the holder under the TSXV Rules owns more than 19.99% of the outstanding Shares (including those which are represented by CDIs).
  - (iii) The Subscription Rights cannot be exercised in the United States or on behalf of a U.S. Person.
- (f) The Warrants are subject to certain hold periods:
- (i) CDIs issued upon the exercise of the Subscription Rights cannot be sold, traded, transferred, exchanged or converted into Shares of the Company for a period of four months and one day from the issue date of the Warrant certificate.
- (g) The Warrants may be transferred by the holder by duly completing and delivering to the Company the transfer form attached to the Warrant Certificate and upon compliance with all applicable securities laws and stock exchange rules.
- (h) The Warrants are subject to certain anti-dilution protections, pursuant to which the Warrant Exercise Price and the number of CDIs that may be subscribed for may be adjusted should any events occur between the issue date of the Warrants and the Expiry Time that would have the effect of diluting a holder’s entitlements to acquire CDIs under the Warrants, including, but not limited to, Share reorganizations (including consolidations or subdivisions of the Shares and CDIs), capital reorganizations (including amalgamations, transfers of substantially all or all of the Company’s assets, a reclassification or redesignation of the Shares), distributions, certain specified issuances of additional Shares or other securities to holders of substantially of the issued and outstanding Shares of the Company. The Warrant Exercise Price adjustment formulas for each dilution event are set forth in greater detail in the Warrant Certificates.

### 6.3 CDIs

ASIC Class Order CO14/827 (**Class Order**) provides class order relief for offers for the issue or sale of CDIs, where the underlying foreign securities are quoted on ASX and held by CDN as the depository nominee. The purpose of the relief is to remove uncertainty in relation to how offers for the sale or issue of CDIs are regulated under the Corporations Act and ensure that an offer of CDIs is regulated as an offer of securities under the disclosure requirements of Chapter 6D of the Corporations Act.

The Class Order requires the Company to provide the information regarding the Offer. Details of the CDIs and key differences between holding Shares and holding CDIs are detailed below:

(a) **What are CDIs?**

In order for the Shares to be able to trade electronically on the ASX, the Company will participate in the electronic transfer system operated by the ASX Settlement, known as CHESSE.

However, companies domiciled in certain jurisdictions, such as Canada, are unable to use CHESSE directly for the transfer of the securities.

Therefore, in order to be able to use CHESSE, the Company will issue depository interests known as CHESSE Depository Interests, commonly referred to as CDIs.

A CDI is a unit of beneficial ownership or interest in a share, or an option, of a foreign company that has an underlying share, option or interest registered in the name of a depository nominee (e.g. CDN) in order to enable the foreign share, interest or option to



be traded on the ASX. The Shares of the Company subject to the Offer will trade on the ASX as CDIs.

**(b) Who is a depository nominee – CDN**

The Company will register the Shares underlying the CDIs in the name of CDN. CDN is a subsidiary of the ASX and is approved as a general participant of ASX Settlement to act as its Australian depository.

CDN will hold the legal title to the Shares for the benefit of the CDI holder. CDN does not receive any fees for acting as the depository for the CDIs.

Upon completion of the Application Form, an Applicant will be considered applying for Shares to be issued to CDN. CDN will in turn issue CDIs to the applicant as the beneficial owner of the Shares, whilst legal title to the Shares will remain with CDN.

**(c) What registers will be maintained recording your interests?**

The Company will operate four registers for the Shares and CDIs.

In Canada:

- (i) a register of holders of Shares; and
- (ii) a register of transfers of Shares; and

In Australia:

- (iii) an uncertificated issuer-sponsored sub-register of CDIs; and
- (iv) an uncertificated CHESS sub-register of CDIs.

The register of Shares will be the register of legal title.

The Shares will be uncertificated unless a Shareholder requests a stock certificate from the registry denoting the number of Shares owned.

The Company must ensure that at all times the total number of CDIs on the issuer sponsored sub-register of CDIs and CHESS sub-register of CDIs reconciles with the number of Shares registered in the name of CDN on the Share register.

The Company will make available for inspection the Share register and the CDI register as if those registers were registers of securities of an Australian listed public company.

**(d) Features of CDIs**

Shares and CDIs differ in that a holder of a CDI has a beneficial ownership of the underlying Shares as opposed to the legal title. CDN will hold the legal title to the Shares for the benefit of the CDI holder.

A CDI holder is entitled to receive the same economic benefit (e.g. dividends, bonus issues, rights issues, interest payments etc.) as it would if it would hold the Shares instead of CDIs.

CDI holders will be able to settle transactions and transfer shares electronically on the ASX.

CDI holders will be entitled to the same rights and entitlements as they would be if they would hold the legal title to the Shares, with the exception of voting rights (please refer

below for more information in respect of voting rights). CDI holders will also receive notices of general meetings of the Shareholders.

(e) **Local and international trading in CDIs**

Due to the nature of CDIs as detailed above, the CDI holders wishing to trade their CDIs will be transferring the beneficial interest in the Shares as opposed to the legal title. The transfer will occur electronically by delivery of the relevant CDI through CHESS. Apart from this, trading in CDIs is very similar to trading other CHESS approved securities (e.g. shares in an Australian company).

(f) **Conversion of CDIs into Shares and vice versa**

CDI holders wishing to convert their CDIs to Shares being held on the Canadian register, can do so any time:

- (i) by contacting the share registry directly, if the CDIs are held through the issuer sponsored sub-register upon which, the CDI holder will then receive an applicable request form; or
- (ii) if the CDIs are held on the CHESS sub-register, by contacting their sponsoring participant (usually a stockbroker) who will arrange for the request form to be completed.

Upon the receipt of a request form, the CDIs subject to the form will be cancelled, Shares will be transferred from CDN to the CDI holder and the Shares registered in the name of the former CDI holder, either in book-entry (i.e. uncertified) or certificate form in accordance with the requests. Trading on the ASX will no longer be possible.

Holders of Shares are also able to convert their Shares into CDIs, should they wish to do so. Shareholders can contact their stockbroker or the Company's share registry. Shares will then be transferred from the Shareholder's name to CDN and a holding statement in respect of the converted Shares will be issued to the person. The CDIs will be tradeable on the ASX.

This process is also known as "transmutation".

(g) **What is the CDI:Share ratio?**

One CDI will represent an interest in one Share. To obtain one Share, an investor will need to convert one CDI.

(h) **What will CDI holders receive on acceptance of their Applications?**

Each CDI holder will receive a holding statement which sets out the number of CDIs held by the CDI holder and the reference number of the holding. These holding statements will be provided to a holder when a holding is first established and where there is a change in the holdings of CDIs.

(i) **How do CDI holders convert from a CDI holding to a direct holding of Shares**

A CDI holder may either leave their holding in the form of CDIs (so that legal title remains in the name of CDN) or convert the CDIs to Shares and hold legal title in their own right.

CDI holders who wish to convert their ASX listed CDIs to Shares to be held on the Canadian principal register can do so by instructing the Company's Share Registry either:

- (i) directly in the case of CDIs on the issuer sponsored sub-register operated by the Company. CDI Holders will be provided with a form entitled "CDI Issuance Request Form" for completion and return to the Company's Share Registry; or
- (ii) through their sponsoring participant (usually their broker) in the case of CDIs which are sponsored on the CHESSE sub-register. In this case, the sponsoring broker will arrange for completion of the relevant form and its return to the Company's Share Registry.

The Company's Share Registry will then arrange for the Shares to be transferred from CDN into the name of that holder and a new holding statement will be issued. This will cause the Shares to be registered in the name of the holder on the Canadian principal register and trading on the ASX will no longer be possible. The Shares may bear restrictive legends on the register in accordance with Canadian law depending upon the circumstances of the initial issue of the CDIs being converted.

The Company's Share Registry will not charge a security holder or the Company a fee for transferring CDI holdings into Shares (although a fee will be payable by market participants). It is expected that this process will be completed within three to five business days, provided that the Share Registry is in receipt of a duly completed and valid form. However, no guarantee can be given about the time for this conversion to take place.

If holders of the Shares wish to convert their holdings to CDIs, they can do so by contacting the Company's Share Registry. The Company's Share Registry will not charge a fee to a holder of Shares seeking to convert the Shares to CDIs (although a fee will be payable by market participants).

The underlying Shares will then be transferred to CDN and a holding statement for the CDIs will be issued to the CDI holder. The CDI holder will not be able to trade such CDIs on the ASX until this transfer process is completed.

The contact details for the Share Registry are set out in the Corporate Directory.

(j) **Voting rights**

CDI holders are generally not able to vote at the Shareholders' meeting personally, as they are not the registered holders of the underlying Shares. The registered holder is CDN and as such, is entitled to vote.

Despite this, CDI holders will receive a notice of any meeting that the Shareholders of a particular class equivalent to the underlying Shares are entitled to receive.

Even though CDI holders are generally not able to vote in person, CDI holders can provide instructions on how to vote for one underlying Share held by CDN. In this case, CDN will be able to vote in the Shareholders' meeting on a poll, as instructed by CDI holders.

CDI holders will also be able to personally vote if they convert their CDIs into Shares as detailed above. In this case, conversion must be completed prior to the record date of the meeting.

(k) **Dividends**

As noted above, in the case of CDIs, even though legal title to the Shares will be vested in CDN, the ASX Settlement Operating Rules provide that all economic benefits of the underlying Shares (e.g. dividends, bonus issues, rights issues, interest payments etc.) flow through to the CDI holder as if the holder were the legal and beneficial owner of the underlying Shares.

The CDI to Share ratio is one to one, as such, if the Company decides to pay a dividend, a CDI holder will be entitled to the same benefit as if the CDI holder was holding the same number of Shares.

(l) **Corporate actions**

The CDI holders are entitled to the same economic benefits as the Shareholders of the Company (e.g. receive dividends) as if the CDI holders are holding the underlying Shares.

Despite this, some minor differences exist between the entitlements of CDI holders and the direct Shareholders. Under Canadian law, CDN's holding of Shares is treated as a single holding, as opposed to separate smaller holdings for each CDI holder. In some instances, this may result in the individual CDI holder not being able to enjoy the same benefits as it would as a holder of the Shares (e.g. where a rounding up of fractional entitlements occurs, CDI holders will not benefit in the same manner as the Shareholders).

(m) **Takeovers**

In case a takeover offer or similar transaction is made in relation to the underlying Shares held by CDN as registered holder, the ASX Settlement Operating Rules require CDN to withhold from accepting such an offer unless and to the extent the acceptance is authorised by the relevant CDI holder.

CDN is required to ensure that an offeror processes the CDI holder's takeover acceptance, if the CDI holder instructs CDN accordingly.

(n) **What notices and announcement will CDI holders receive?**

CDI holders will receive all notices and company announcements (such as annual reports) that Shareholders are entitled to receive from the Company.

(o) **What rights do CDI holders have on liquidation or winding up?**

In the event of the Company's liquidation, dissolution or winding up, a CDI holder will be entitled to the same economic benefit in relation to their CDIs as Shareholders receive on the Shares they hold.

(p) **Will CDI holders incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares?**

A CDI holder will not incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares.

CDN will not receive any fees from investors acting as the depository for the CDIs.

(q) **Additional information**

Please see for more information:

- (i) ASX Listing Rules, Guidance Note 5;
- (ii) ASX Settlement Operating Rules – Section 13; and
- (iii) [https://asxonline.com/content/dam/asxonline/public/documents/manuals/chess-asx-settlement-procedure-guidelines/asx\\_037029.pdf](https://asxonline.com/content/dam/asxonline/public/documents/manuals/chess-asx-settlement-procedure-guidelines/asx_037029.pdf).

## 6.4 Key Differences Between Australian and Canadian Corporate Law

As the Company is incorporated under the BCBCA, and is a reporting issuer in the Canadian provinces of British Columbia, Alberta and Ontario, the laws of British Columbia and the laws of Canada applicable therein, as well as the securities laws of Alberta and Ontario, regulate the general corporate activities of the Company, as opposed to the Corporations Act or ASIC (with the exception of any offer of securities in Australia which must also comply with the requirements of the Corporations Act). BCBCA is the main legislation relevant to the Company in British Columbia in addition to the relevant securities laws of each of the provinces of Canada in which it is a reporting issuer. The Company's shares are also listed on the TSXV, and the Company is subject to the rules and policies of the TSXV (**TSXV Rules**).

The information provided below sets out the key differences between Canadian law and Australian law. This is a general guide only and should not be viewed as a complete overview of Canadian law and Australian law (or all of the consequences resulting from buying, holding or disposing of Shares). As with any legislation, the laws, regulations and policies noted below are subject to change from time to time.

### (a) Shareholder Approval

#### *Canadian law*

Under the BCBCA, certain extraordinary corporate actions require shareholder approval by special resolution (e.g. amalgamations, continuances, reorganizations, arrangements, liquidations or a sale of all or substantially all of the Company's assets).

Under the BCBCA, a resolution passed by a special majority of shareholders at a general meeting for which proper notice has been provided constitutes a special resolution. A special majority is a majority of votes, as specified in the Articles, that has at least two-thirds of the votes cast on that resolution. Unless the BCBCA or the Articles require a special resolution, ordinary resolutions of the Company's shareholders are passed by a simple majority of votes cast on the resolution.

The required authorisation to amend the constituent documents of the Company under the BCBCA is specified in the BCBCA or the Articles based on the type of amendment. In many instances, including a change of name, the BCBCA or the Articles may provide for approval solely by a resolution of the directors of the Company or by ordinary resolution of the shareholders of the Company.

Since the Company is also listed on the TSXV, the Company is required to seek TSXV's approval for issuing securities, subject to certain exceptions. TSXV will impose conditions or grant exemptions in respect of a transactions based on its own requirements.

Some of the matters that TSXV will consider include whether the transaction materially affects control of the Company, whether an administrative body or court has reviewed the interests of the Company's shareholders and the involvement of insiders in the transaction.

The TSXV Rules also require shareholder approval generally for, among other things:

- (i) a private placement or transaction that will result in a shareholder holding 20% of the outstanding common shares (either immediately or upon the exercise of conversion rights), i.e. becoming a 'Control Person';

- (ii) transactions which may result in a change of control, reverse takeover, significant change in business operations of the Company or the disposition of more than 50% of the Company's assets; and
- (iii) the issuance of securities pursuant to a private placement or certain significant transactions that constitute a related party transaction.

Under applicable securities laws, shareholder approval of certain related party transactions is required.

Under the TSXV Rules, shareholder approval of all security based compensation plans and arrangements, as well as certain grants and amendments to any of the foregoing, is required. To the extent a rolling 10% plan or a hybrid security based compensation plan is adopted by the Company, annual shareholder and TSXV approval must be obtained pursuant to the TSXV Rules.

#### *Australian law*

The main transactions or actions that require shareholder approval include:

- (i) altering or adopting the constituent documents;
- (ii) appointment or removal of a director or an auditor;
- (iii) certain related party transactions;
- (iv) liquidation;
- (v) changes to the rights attaching to the shares; and
- (vi) certain corporate transactions affecting the shares (e.g. share buybacks and capital reductions).

Under the ASX Listing Rules actions requiring shareholder approval include:

- (vii) increases to the total aggregate amount of directors' fees payable to all of the company's non- executive directors;
- (viii) in certain circumstances, the termination benefits of directors;
- (ix) certain related party transactions;
- (x) certain issue of shares; and
- (xi) significant changes to a company's scale of its activities or its nature or disposing of its main undertaking.

#### (b) **Shareholders' Right to a General Meeting**

##### *Canadian law*

Under the BCBCA, a company must hold an annual meeting of shareholders at least once in each calendar year and not more than 15 months after the last preceding annual meeting. The BCBCA also provides that the directors may call a meeting of shareholders at any time.

Notice of a general meeting of the Company must be given not less than 21 days, and not more than two months before the meeting to each shareholder entitled to vote at the meeting.

The BCBCA allows shareholders holding at least 5% of the issued voting shares in the Company to requisition the directors to call a meeting of shareholders for the purposes stated in the requisition.

If the technical requirements of the BCBCA are satisfied for such requisitions, the directors must, subject to certain exceptions, call a general meeting within 21 days following the date of receiving the requisition to be held within four months after the date of receipt of the requisition.

Should the directors fail, if required, to send a notice of general meeting within 21 days from receiving the requisition notice, the requisitioning shareholders, or any of the requisitioning shareholder(s) holding more than 2.5% of the voting shares, may send the notice of a general meeting for the purposes stated in the requisition.

In addition, a written notice setting out a matter which a shareholder wishes to have considered at the next AGM of the Company (**Shareholder Proposal**) may be submitted by one or more registered or beneficial shareholders entitled to vote at the general meeting holding at least 1% of the shares of the company (either alone or in aggregate with other shareholders) or with the share value exceeding the prescribed amount if the shareholder has been a registered or beneficial shareholder for at least two continuous years prior to executing the Shareholder Proposal. There are certain exceptions to a company's obligation to process a Shareholder Proposal.

#### *Australian law*

The Corporations Act requires the directors of a company to call and arrange a general meeting of shareholders, if they receive such a request from the shareholders with at least 5% of the votes that may be cast at the general meeting.

The directors must call such a meeting within 27 days of the request being given to the company and the meeting must be held no later than two months after the request is given to the company.

### (c) **Shareholders' Right to Appoint Proxies for Meetings**

#### *Canadian law*

The BCBCA provides that, subject to certain exceptions, a shareholder is entitled to vote at a meeting of holders of shares of that class or series in person or by proxy. Management proxy circulars, in the required form, are required to be provided under applicable Canadian securities laws for any solicitation of proxies by management.

#### *Australian law*

The Corporations Act permits a shareholder of a company entitled to attend a meeting and cast a vote at that meeting, to appoint a proxy to attend the meeting and vote at the meeting instead of the shareholder.

### (d) **Changes to the Rights Attaching to Shares**

*Canadian law*

The BCBCA or the constituent documents of the Company will set out the required approvals to amend the constituent documents based on the type of amendment. However, if the resolution required to make the type of amendment is not specified in the BCBCA or the constituent documents, the amendment may be made by special resolution.

*Australian law*

A company is permitted under the Corporation Act to set out the procedures for varying or cancelling the rights attaching to shares in a class of shares in its constitution. If a company's constitution does not set out a procedure, or does not have a constitution, the rights may be varied or cancelled only by:

- (i) a special resolution passed a meeting if the class of members holding shares in the class; or
- (ii) a written consent of at least 75% of votes in that class.

The company is then required to give a written notice of the variation or cancellation to the members of the class within 7 days after the variation or cancellation is made.

(e) **Issue of New Shares**

*Canadian law*

The BCBCA permits shares with or without par value. According to the Company's Notice of Articles, the Company is authorized to issue an unlimited number of common shares without par value.

Certain issuances of shares by the Company are subject to the TSXV Rules, pursuant to which the TSXV may impose conditions on a transaction or grant exemptions from its own requirements. The TSXV will consider various factors, including the involvement of insiders in the transaction, whether the transaction materially affects control of the issuer, and whether a court or administrative body has considered the interests of the Company's securityholders.

*Australian law*

The Corporations Act permits companies to issue an unlimited number of shares. The company's constitution may include certain pre-emptive rights which give existing shareholders the first opportunity to purchase new shares in proportion to their current holdings.

(f) **Protection of Shareholders Against Oppressive Conduct**

*Canadian law*

In accordance with the BCBCA, a shareholder and any other person the court considers an appropriate person may apply to the court on the grounds that:

- (i) the directors' powers are or have been exercised, or, the company's affairs are or have been conducted, in an oppressive manner in respect of one or more shareholders, including the applicant; or



- (ii) a resolution of shareholders (including of a class or series of shares) has been passed or is proposed to be passed, or an act or the company is threatened or done, which is unfairly prejudicial to one or more shareholders, including the applicant.

The courts can make any orders as they deem appropriate, including prohibiting the act.

*Australian law*

Under the Corporations Act, the shareholders have statutory rights and remedies for unfair or oppressive conduct of the company and the courts can make any orders as they deem appropriate.

(g) **Shareholder Rights of Dissent or Appraisal**

*Canadian law*

Under the BCBCA, shareholders entitled to vote on certain matters can exercise a right of dissent and require the Company to purchase the shares from the shareholder at the fair value (as of the last business day before the day the resolution on which the shareholder dissent was adopted) provided that the relevant procedures for registering the dissent are followed (including not voting in favour of the matter that is subject of the dissent).

Dissent rights exist when there is a vote upon matters such as:

- (i) an alteration to the Articles to alter restrictions on the powers of the Company or on the business it is permitted to carry on;
- (ii) any adoption of an amalgamation agreement or an amalgamation in certain instances;
- (iii) an arrangement, the terms of which arrangement permit dissent;
- (iv) a sale, lease or other disposition of all or substantially all the undertaking of the Company other than in the ordinary course of business;
- (v) a continuance into a jurisdiction other than British Columbia; and
- (vi) and any other resolution, if dissent is authorized by the resolution.

*Australian law*

No equivalent rule exists in Australia.

(h) **Rights of Shareholders to Bring or Intervene in Legal Proceedings**

*Canadian law*

Under the BCBCA, a director or a shareholder of the Company and any other person that the court deems an appropriate person to make an application to the court to bring an action on behalf of the company (**Derivative Action**). With judicial leave, the complainant may:

- (i) bring an action in the name and on behalf of the Company to enforce a right, duty or obligation owed to the Company that could be enforced by the Company itself, or seek damages for any breach of a right, duty or obligation; or
- (ii) defend the company in the Company's name and behalf in a legal action brought against the Company.

Since a complainant must obtain leave of the court in order to bring a Derivative Act, the court is required to exercise judicial discretion. Leave may be granted on terms the court considers appropriate if: (i) the complainant has made reasonable efforts to cause the directors of the Company to prosecute or defend the legal proceeding; (ii) notice of the application for leave has been given to the Company and any other person the court may order; (iii) the complainant is acting in good faith; and (iv) it appears to the court that it is in the best interests of the Company for the legal proceeding to be prosecuted or defended.

#### *Australian law*

The Corporations Act permits a shareholder to apply to the court for leave to initiate proceedings on behalf of the company or intervene in proceedings that a company is a party to, for the purpose of taking responsibility on behalf of the company in a particular step in the proceedings or the whole of proceedings.

The court is required to grant the application if certain requirements are satisfied:

- (i) it is unlikely that the company will bring the proceedings itself, or take responsibility for them or for the steps in the proceedings;
- (ii) the applicant is acting on good faith;
- (iii) the granting of leave is in the company's best interest;
- (iv) there is a serious question to be tried; and
- (v) the applicant gives a written notice to the company of the intention to seek leave at least 74 days prior to making the application, or, the court deems it appropriate to grant leave.

A proceeding brought or intervened in with leave cannot be settled, compromised or discontinued without the leave of court.

#### (i) **"Two Strikes" Rule**

##### *Canadian law*

There is no equivalent rule under the BCBCA, TSXV Rules or Canadian law to the "two strikes rules" requiring directors to resign if 25% or more of the shareholders vote against the remuneration of directors at two consecutive AGMs.

The corporate governance regime in Canada is made up of a combination of certain mandatory rules on disclosure and compliance, as well as certain guidelines and recommendations as to best practices.

National Instrument 58-101 – Disclosure of Corporate Governance Practices (**NI 58-101**) of the Canadian Securities Administrators requires issuers to annually disclose as part of

their prescribed disclosure in their management information circular certain corporate governance information including information about the independence of directors, board mandates, position descriptions, corporate governance practices, committee mandates and functions, director term limits and policies with respect to the representation of women on its board.

#### *Australian law*

Pursuant to the Corporations Act, a company's annual report is required to include a report by the directors – remuneration report- on the company's remuneration framework.

At each AGM of the members, a resolution must be put forward for the members to approve the remuneration report. Notwithstanding the approval is advisory only, if 25% of the shareholders vote against the remuneration report at two consecutive AGMs (i.e. "two strikes"), an ordinary resolution (i.e. 50% of the votes) must be put forward at the second AGM proposing a further meeting within 90 days. At the meeting all directors approving the second remuneration report must resign and stand for re-election.

### (j) **Reporting of Substantial Holders**

#### *Canadian law*

Any person acquiring beneficial ownership of, or the right to acquire, or the power to exercise direction or control over, at least 10% of voting or equity securities of the Company is required to file an early warning report disclosing their security interests to the Company and the relevant Canadian securities regulators and issue a press release. If a person has filed an early warning report for the Company, the person is also required to file a news release and early warning report for every 2% (or more) change in the voting or equity securities such a person holds or controls, or, when the person ceases to hold or control at least 10% of the voting or equity shares in the Company.

In addition, under Canadian securities laws, directors of an issuer, certain executive officers of the issuer, persons that have beneficial ownership of, or control or direction over, or a combination thereof, securities of the issuer carrying more than 10% of the voting rights attached to all of the issuer's voting securities, and certain others, are 'reporting insiders' that are required to lodge an insider report. These reports disclose the number of the securities that reporting insiders hold or exercise direction or control over and subsequent changes to the same. The reports are publicly available on the System for Electronic Disclosures by Insiders ([www.sedi.ca](http://www.sedi.ca)) and must be filed within 10 days of a person becoming a reporting insider of a reporting issuer and within five days of any changes to the information required to be reported in that person's insider reports regarding the securities of that reporting issuer.

#### *Australian law*

Under the Corporations Act, every substantial holder is required to notify the listed company and the ASX of their substantial shareholding and disclose certain information in relation to their holding, if:

- (i) the person begins to hold, or ceases to hold, a substantial holding in the company or scheme;
- (ii) the substantial holder has a movement of at least 1% in their holding; or
- (iii) the person makes a takeover bid in respect of the company.

The Corporations Act specifies that a substantial holding is a holding of the total votes attaching to the voting in the company in which the person or their associates have relevant interests of at least 5% of the total number of votes in the company, or, the person has made a takeover bid for the voting shares and the bid period has commenced but not ended.

These requirements do not apply to foreign entities. However, a Canadian ASX listed entity will be required to disclose to the ASX any substantial holder notices that are filed in Canada.

(k) **Takeovers**

*Canadian law*

Under the relevant Canadian law, a 'takeover bid' is considered to occur when an offer to acquire outstanding voting or equity securities has been made to any person in any province or territory, in which the securities subject to the offer, together with the securities controlled or owned by the offeror and its affiliates and associates and any others acting, or deemed to be acting, jointly or in concert with the offeror, constitute at least 20% of the outstanding securities. This does not include an offer to acquire if this is a step in a merger, reorganisation, amalgamation or arrangement that requires a shareholder approval.

Unless an exemption under the Canadian law is available, a takeover bid must be made to all holders of securities of each class of equity or voting securities proposed to be purchased with the same purchase price offered to each security holder. In other words, all security holders must receive the same treatment under the bid and the bid must not involve any collateral agreements (certain exceptions apply for employment compensation arrangements). An offeror must produce, file and mail a takeover bid circular to the holders of securities of the same class of equity or voting securities proposed to be purchased.

Takeover bids are required to remain open for at least 105 days from the date of the mailing of the circular, unless the target issuer issues a news release announcing a shorter period following the time the bid is made, however this period cannot be less than 35 days from the mailing of the applicable circular.

In addition, the takeover rules contain various other requirements in order to protect the interests of the target security holders. For example, these include restrictions in relation to conditional offers and the withdrawal, suspension or amendments to the offers.

Securities regulators also keep a general 'public interest jurisdiction' to regulate takeovers and may intervene, halt or prevent abusive activity, or require amendments to any of the terms of the takeover offers. In addition, purchases outside of the bid, or that occur before, during or after the bid, are also regulated.

Following a bid, second step transactions whereby the acquirer seeks to bring its ownership to 100%, are governed by the BCBCA. If the acquirer has obtained 90% of the outstanding securities from minority security holders during the bid, the second step bid does not require shareholder approval. If this condition is not satisfied, a meeting must be held and associated regulations complied with, including obtaining the prescribed shareholder approval. Appraisal or dissent rights are available to the shareholders subject to the applicable procedural requirements being complied with.

Certain exemptions in respect of the formal takeover bid requirements are allowed under the Canadian securities law, subject to certain conditions. For example, private agreements to purchase securities from up to five persons are permitted if the purchase price does not exceed 115% of the market price. Under the normal course purchase exception, the offeror (together with any joint offerors) may acquire up to 5% of a class of securities within a 12-month period if there is a published market for the relevant class and the consideration paid does not exceed the market price at the date of acquisition.

The Canadian securities administrators have recognised that in some instances the interests of management may differ of those of the Company's security holders. When reviewing a takeover, the applicable securities regulator(s) will consider the protection of the bona fide interests of the target company's security holders as the primary objective of the takeover provisions under Canadian securities law. The applicable securities regulator(s) may determine that certain defence tactics employed by the target company's management prevent its security holders from making a fully formed decision and frustrating an open bid process. Therefore, the applicable securities regulator(s) may in specific cases examine the target company's defence tactics to ascertain whether these abuse the security holders' rights.

Without limiting the foregoing, defensive tactics that may come under scrutiny if undertaken during the course of a bid, or immediately before a bid (if the board of directors has reason to believe that a bid might be imminent) include:

- (i) the issuance of, or granting of an option for the purchase of, securities representing a significant percentage of the outstanding securities of the target company;
- (ii) the sale or acquisition or granting of an option for the purchase of assets of a material amount; and
- (iii) entering into a contract or taking corporate action other than in the normal course of business.

Shareholder approval of a particular corporate action may be a factor in the decision as to whether the tactics are appropriate. Additionally, the TSXV may also require shareholder approval be obtained by the Company for a private placement that appears to be undertaken as a defensive tactic to a takeover bid.

Notwithstanding the above, defensive tactics may be taken by a board of directors of a target company in a genuine attempt to obtain a better bid; however, tactics that are likely to deny or limit severely the ability of the shareholders to respond to a takeover bid or a competing bid may result in action by the Canadian securities regulators.

#### *Australian law*

Chapters 6, 6A and 6C of the Corporations Act (which relate to share acquisitions, including acquisitions and takeovers) do not apply to the Company as it is domiciled in Canada. The Company is subject to the laws of British Columbia and the laws of Canada applicable therein.

However, under the ASX Listing Rules, if a takeover bid has been made to a target company that has issued CDIs over some of its securities, ASX would generally expect the bidder to also make corresponding offers to the CDI holders in respect of their CDIs.

The target is required to provide the bidder the registered details of the CDI holders to facilitate the takeover offers being extended to the CDI holders.

The CDN will only accept the offer for the underlying securities if it has been instructed to do so by the CDI holders in accordance with certain applicable procedures.

(l) **Related Party Transactions**

*Canadian law*

The Company is subject to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (MI 61-101) which imposes valuation, minority approval and disclosure requirements on entities in certain transactions.

A related party transaction includes a transaction between an issuer and a person that is a related party to the issuer at the time that the transaction is agreed to, whether or not there are also other parties to the transaction, as a consequence of which, either through the transaction itself or together with a connected transaction, the issuer directly or indirectly, among other things:

- (i) purchases or acquires an asset from the related party for valuable consideration;
- (ii) sells, transfers or disposes of an asset to the related party;
- (iii) leases property to or from the related party;
- (iv) acquires the related party or combines with the related party through an amalgamation, arrangement or otherwise;
- (v) issues a security to, or subscribes for a security of, the related party;
- (vi) materially amends the terms of an outstanding debt or liability owed by or to the related party, or the terms of an outstanding credit facility with the related party;
- (vii) provides a guarantee or collateral security for a debt or liability of a related party, or materially amends the terms of an existing guarantee or collateral security for a debt or liability of a related party; or
- (viii) borrows money from, lends money to, or enters into a credit facility with, the related party.

Where an exemption is not available, MI 61-101 has two principal requirements:

- (i) that the issuer obtains a formal valuation in respect of the transaction; and
- (ii) that the issuer obtains minority approval for the transaction (i.e. approval by a majority of the affected security holders, excluding the votes attached to affected securities held by related parties or parties interested in the transaction, related parties of an interested party, and persons acting jointly with interested parties).

MI 61-101 also requires an issuer to include certain detailed disclosure regarding related party transactions in a material change report that is required to be filed under MI 61-101 and in the management proxy circular that is sent to a company's security holders to obtain minority approval in respect of a related party transaction where an exemption from the minority approval requirement is not available.

### *Australian law*

Pursuant to ASX Listing Rule 10.17, a company listed on the ASX is prevented from issuing or agreeing to issue equity securities, without prior shareholder approval, to:

- (i) a related party;
- (ii) a person who is or was at any time in the 6 months before the issue or agreement a substantial holder (>30%) in the entity;
- (iii) a person who is or was at any time in the 6 months before the issue or agreement a substantial holder (>10%) in the entity and has nominated a director to the board of the entity (pursuant to a relevant agreement or right that they hold);
- (iv) an associate or a person referred to in the first two bullets above; and
- (v) a person whose relationship with the entity or related party is, in the ASX opinion, such that requires an approval.

Certain exceptions to related party transactions apply under the ASX Listing Rules. The definition of a related party is provided in the ASX Listing Rules and aligns with the definition in the Corporations Act.

The definition of a related party is wide and where the listed entity is a body corporate includes:

- (i) an entity that controls the listed entity;
- (ii) if the listed entity is controlled by an entity that is not a body corporate, the persons making up that entity;
- (iii) directors of the listed entity or of an entity that controls the listed entity;
- (iv) spouses and de facto spouses of anyone referred to in (ii) and (iii) above;
- (v) parents and children of anyone referred to in (ii), (iii) and (iv) above;
- (vi) entities controlled by anyone referred to in (i) – (v) above unless they are also controlled by the listed entity;
- (vii) anyone who has fallen within (i) – (vi) above within the past 6 months;
- (viii) anyone who believes or has reasonable grounds to believe that they are likely to fall within (i) – (vi) at any time in the future; and
- (ix) anyone acting in concert with someone referred to in (i) – (viii) above.

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## **7. Risk Factors**

### **7.1 Introduction**

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus, publicly available information, circumstances peculiar to them and that they consult

their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are general risks, many if not all of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares or CDIs.

The Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

Defined terms used in this Section 7 are given the meaning to them in the Company's ASX announcements, which amongst others, include the Company's Q1 Management's Discussion and Analysis.

## 7.2 Company specific risks

(a) ***Uncertainty of Development Projects, including the Chvaletice Manganese Project, require significant expenditures during the development phase before production is possible***

The economic feasibility of development projects is based on many factors such as: estimation of mineral reserves, anticipated metallurgical recoveries, environmental considerations and permitting, and anticipated capital and operating costs of these projects. Development projects are uncertain, and it is possible that actual capital and operating costs and economic returns will differ significantly from those estimated for a project prior to production. Particularly for development projects, estimates of proven and probable mineral reserves and cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates of metals from the ore, estimated operating costs, anticipated climatic conditions and other factors.

As a result, it is possible that actual capital and operating costs and economic returns will differ significantly from those currently estimated for a project prior to production. Any of the following events, among others, could affect the profitability or economic feasibility of the Chvaletice Manganese Project: unanticipated changes in grade and tons of ore to be mined and processed, unanticipated adverse geological conditions, unanticipated metallurgical recovery problems, incorrect data on which engineering assumptions are made, availability and costs of labour, costs of processing and refining facilities, availability of economic sources of power, adequacy of water supply, reliability of processing facilities, adequate access to the site, unanticipated transportation costs, government regulations (including regulations with respect to prices, royalties, duties, taxes, permitting, restrictions on production, quotas on exportation of minerals and environment), fluctuations in metals prices, accidents, labour actions, the availability and delivery of critical equipment, successful commissioning and start-up of operations, including the achievement of recovery rates and force-majeure events.

In addition, fluctuations in the prices and availability of commodities consumed as part of development and processing activities, such as natural gas, diesel, oil, electricity, sulphuric acid and other reagents can significantly impact the operating cost of development activities. These price fluctuations can be unpredictable, can occur over short periods of time and may have a materially adverse impact on operating costs or the timing of future costs. It is not unusual in new operations to experience unexpected problems during the start-up phase and delays can often occur at the start of production. It



is likely that actual results for the Chvaletice Manganese Project will differ from current estimates and assumptions described in the Technical Report available on ASX Online, and these differences may be material. In addition, experience from actual processing operations may identify new or unexpected conditions that could reduce production below, or increase capital or operating costs above current estimates. If actual results are less favourable than currently estimated, the Company's business, results of operations, financial condition and liquidity could be materially adversely affected.

(b) ***The Company's Mineral Reserves and Mineral Resources are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized, or that Mineral Reserves could be recovered and processed profitably***

No assurance can be given that the anticipated tonnages and grades in respect of Mineral Reserves and Mineral Resources disclosed in the Technical Report will be achieved, that the indicated level of recovery will be realized or that Mineral Reserves will be processed profitably. Actual Mineral Reserves may not conform to geological, metallurgical, or other expectations, and the volume and grade of ore recovered may differ from estimated levels. There are numerous uncertainties inherent in estimating Mineral Reserves and Mineral Resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any Mineral Reserve or Mineral Resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. In addition, short-term operating factors relating to the Mineral Reserves, such as the need for orderly development of the ore bodies or the processing of new or different ore grades, may require significant capital expenditures in any particular accounting period. In addition, there can be no assurance that recoveries in small scale laboratory and/or pilot plant tests will be duplicated in larger scale tests under on-site conditions or during production. Lower market prices, increased production costs, reduced recovery rates and other factors may result in a revision of its Mineral Reserve estimates from time to time or may render the Company's Mineral Reserves uneconomic to exploit. Mineral Reserve data is not indicative of future results of operations. Any material reductions in estimates of manganese mineralization, or of the Company's ability to extract and process this manganese mineralization, could have a material adverse effect on the Company's results of operations or financial condition.

(c) ***The Company's rights and title to its Mineral Properties may be challenged***

Third parties may have known or unknown valid claims underlying portions of the Company's interests, including claims from prior holders of mineral interests in the same area or technical defects in the granting or approval of mineral interests or in the transfers of any mineral interest. Title may be affected by, among other things, undetected defects, including legal defects, which could have a material adverse effect on the Company's results of operations or financial condition.

(d) ***Rights to use the surface of the Company's Mineral Properties are not guaranteed***

The Company holds 85% of the surface rights for the Chvaletice Manganese Project, and is currently in commercial negotiations for the acquisition of the remaining surface rights from the remaining landowner; however there is no guarantee that these negotiations will succeed or that the terms will be commercially reasonable. Delays or challenges, regardless of merit, in obtaining surface access could materially adversely impact the Company's interest in the Project. If the Company cannot obtain surface rights from the remaining landowner by required deadlines under the Convertible Loan Facility, it will be in default under the Convertible Loan Facility unless Orion grants certain waivers, which are only requests by the Company and are not guaranteed. See risk factor "Inability to Meet Conditions under Convertible Loan Facility and risk of default"

(e) ***No guarantee that permits required by the Company will be obtained or renewed***

Companies engaged in mineral extraction and operation of related processing facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all future permits which the Company may require for the construction of the Chvaletice Manganese Project facilities and conduct of processing operations will be obtainable on reasonable terms, if at all, or that such laws and regulations would not have an adverse effect on any mineral project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, care and maintenance, installation of additional equipment or remedial actions. Parties engaged in the extraction of minerals may be required to compensate those suffering loss or damage by reason of its activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of companies in the recovery of minerals, or more stringent implementation thereof, could have a material impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

(f) ***Compliance with Environmental Regulations can be costly***

The Company's exploration activities, as well as the planned development of the Chvaletice Manganese Project, are all subject to environmental regulation. Regulations cover, among other things, water quality standards, land reclamation, the generation, transportation, storage and disposal of hazardous waste, the construction and operation of tailings dams, and general health and safety matters. There is no assurance that the Company has been or will at all times be in full compliance with all environmental laws and regulations or hold, and be in full compliance with, all required environmental and health and safety approvals and permits. The potential costs and delays associated with compliance with such laws, regulations, approvals and permits could prevent the Company from economically operating or proceeding with the further development of the Chvaletice Manganese Project, and any non-compliance with such laws, regulations, approvals and permits at the Chvaletice Manganese Project could result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Environmental approvals and permits are currently, and may in the future be, required in connection with the Company's current and planned operations. To the extent such environmental approvals and permits are required and not obtained, the Company's plans and operations may be curtailed, or it may be prohibited from proceeding with planned exploration or development of additional mineral properties. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

There is no assurance that any future changes in environmental regulation will not adversely affect the Company's operations. Changes in government regulations have the potential to significantly increase compliance costs and thus reduce the profitability of current or future operations.

Environmental hazards may also exist on the Chvaletice Manganese Project that are unknown to the Company at present and that have been caused by previous or existing owners or operators of the property and for which the Company may be liable for remediation. Parties engaged in the extraction of minerals, including the Company, may be required to compensate those suffering loss or damage by reason of their activities and may have civil or criminal fines or penalties imposed for violations of applicable environmental laws or regulations, regardless of whether the Company actually caused the loss or damage. The costs of such compensation, fines or penalties could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

(g) ***Uncertainty regarding ability to produce required HPMSM, meet customer requirements and obtain sufficient offtake agreements***

The Company has produced HPMSM from the dissolution and crystallization module at the Demonstration Plant using its own HPEMM as well as third-party HPEMM. The Company commissioned the Demonstration Plant during fiscal 2024 and completed a 5-day continuous operation program for the production of HPEMM, a key technical target forming part of the necessary conditions for accessing the next draw-down on the Convertible Loan Financing. However, there is no assurance it will be able to produce HPMSM or HPEMM from the Chvaletice commercial plant, once constructed, with specifications acceptable to its potential customers.

In addition, there is no assurance the Company will be able to conclude offtake term sheets or agreements on favourable terms or at all. If the Company cannot meet certain offtake term sheet and agreement requirements by required deadlines under the Convertible Loan Facility, it will be in default under the Convertible Loan Facility unless Orion grants certain waivers which are only requests by the Company and are not guaranteed. See risk factor "Inability to Meet Conditions under Convertible Loan Facility and risk of default"

(h) ***Management experience and dependence on key personnel and employees***

The Company's success is currently largely dependent on the performance of the Company's directors and officers. The Company's management team has experience in the resource exploration and development business. The experience of these individuals is a factor which will contribute to the Company's continued success and growth. The Company will initially be relying on the Company's employees, board members, as well as independent consultants, for certain aspects of the Company's business. The amount of time and expertise expended on the Company's affairs by each of the Company's management team and the Company's directors will vary according to the Company's needs. The Company does not intend to acquire any key man insurance policies and there is, therefore, a risk that the death or departure of any member of management, the Company's board, or any key employee or consultant, could have a material adverse effect on the Company's future. Investors who are not prepared to rely on the Company's management team should not invest in the Company's securities.

(i) ***Conflict of interest***

Certain of the Company's directors and officers are, and may continue to be, involved in the mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers may conflict with the Company's interests. Directors and officers of the Company with conflicts of interest will be subject to and must follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies. Notwithstanding this, there may be corporate opportunities

which the Company is not able to procure due to a conflict of interest of one or more of the Company's directors or officers.

*(j) Uncertainty of additional funding*

Sufficient funding may not be available to the Company for further exploration and development of its property interests. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's projects and inability to meet its obligations under the Convertible Loan Facility. Accordingly, additional financing will be required to operate its business and to continue development of its projects, and additional capital may not be available when needed, if at all, or be available on terms favourable to the Company. Any unexpected costs, problems or delays could severely impact the Company's ability to continue operations and exploration and development activities and obtain additional financing. In addition, it is a requirement under the Convertible Loan Facility that the Company secure a strategic investor by required deadlines. There is no certainty the Company will be able to secure a strategic investor on favourable terms or at all, and if the Company cannot secure a strategic investor, it will not meet its obligations under the Convertible Loan Facility and will be in default under the Convertible Loan Facility, unless certain waivers are obtained by Orion, which are only requests by the Company and are not guaranteed. There can be no assurance that the Company will satisfy the conditions precedent in order to access the US\$30 million and US\$50 million under the Convertible Loan Facility and Royalty Financing, respectively, or that additional or alternative funding will be available when needed, if at all, or that it may not be available on terms favourable to the Company. See risk factor "Inability to Meet Conditions under Convertible Loan Facility and risk of default"

*(k) The Company relies on international advisors and consultants*

The Company conducts the majority of its activities in the Czech Republic. The legal and regulatory requirements in this country with respect to conducting mineral exploration and mining activities, banking system and controls, as well as local business culture and practices are different from those in Canada and the United States. The officers and directors of the Company must rely, to a large extent, on the Company's local legal counsel and local consultants retained by the Company in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect the Company's business operations, and to assist the Company with its governmental relations. The Company must rely, to some extent, on those members of management and the Company's board of directors who have previous experience working and conducting business in the Czech Republic in order to enhance its understanding of and appreciation for the local business culture and practices. The Company also relies on the advice of local experts and professionals in connection with current and new regulations that develop in respect of banking, financing, labour, litigation and tax matters in this jurisdiction. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices are beyond the control of the Company. The impact of any such changes may adversely affect the business of the Company.

*(l) Country risks*

The Chvalětice Manganese Project is located in the Czech Republic and therefore its activities are subject to the risks normally associated with the conduct of business in foreign countries. Investors should note that the Czech Republic is not a country with a rich mining history and projects in other nearby Eastern European countries have encountered substantial resistance from local communities at the time of development. The occurrence of one or more of these risks could have a material and adverse effect on the Company's profitability or the viability of its affected foreign operations, which could

have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

The Company's ability to carry on its business in the normal course in the Czech Republic may be adversely affected by political and economic considerations such as civil unrest, war (including in neighbouring states), terrorist actions, labour disputes, fraud, theft, corruption, sovereign risk, political instability, the failure of foreign parties or governments to honour contractual relations, consents, rejections or waivers granted, changing (or arbitrary) government regulations with respect to mineral processing including environmental requirements, the declaration of high-purity manganese products as strategic commodities, taxation, land tenure, foreign investments, income repatriation and capital recovery, fluctuations in currency exchange and inflation rates, import and export restrictions, challenges to the Company's title to properties, problems renewing licenses and permits, opposition to mineral extraction and processing from environmental or other nongovernmental organizations, increased financing costs, instability due to economic under-development, inadequate infrastructure, and the expropriation of property interests. In addition, the Czech government, or its court system, may not recognize, protect or enforce the Company's legal rights. The Government may take action which is arbitrary or illegal under Czech, European Union or International Law. Any of these events could result in conditions that delay or prevent the Company from exploring, developing, or ultimately operating its mineral projects.

While the Company believes that the political climate in the Czech Republic provides a suitable environment for its proposed operations, there is no guarantee against the possibility that the current, or a future, government may adopt substantially different policies or take arbitrary action which might halt exploration or development, involve the re-nationalization of private assets or the cancellation of contracts, the cancellation of mineral exploration or development, extraction and processing rights and/or changes in taxation treatment cannot be ruled out, any of which could result in a material and adverse effect on the Company's business, results of operations, financial condition and prospects.

*(m) Changes in climate conditions may affect the Company's operations*

A number of governments have introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulation relating to emission levels (such as carbon taxes) and energy efficiency is becoming more stringent. If the current regulatory trend continues, this may result in increased costs at the Company's operations. In addition, the physical risks of climate change may also have an adverse effect on the Company's operations. These risks include the following:

- changes in sea levels could affect ocean transportation and shipping facilities that are used to transport supplies, equipment and workforce and products from the Company's operations to world markets;
- extreme weather events (such as prolonged drought or floods) have the potential to disrupt operations at the Company's operations and may require the Company to make additional expenditures to mitigate the impact of such events; and
- the Company's facilities depend on regular supplies of consumables (diesel, tires, reagents, etc.) to operate efficiently. In the event that the effects of climate change or extreme weather events cause prolonged disruption to the delivery of essential commodities, production levels at the Company's operations may be reduced.

There can be no assurance that efforts to mitigate the risks of climate change will be effective and that the physical risks of climate change will not have an adverse effect on

the Company's business, financial condition, results of operations, cash flows or prospects.

(n) ***The Company may be responsible for corruption and anti-bribery law violations***

The Company's operations are governed by, and involve interactions with, many levels of government in various countries. The Company is required to comply with anti-corruption and anti-bribery laws, including the Canadian and Czech Republic Criminal Codes, the Canadian Corruption of Foreign Public Officials Act and similar laws in the Czech Republic and other countries. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations not only by its employees, but also by its contractors and third-party agents. Although the Company has adopted steps to mitigate such risks, such measures may not always be effective in ensuring that the Company, its employees, contractors and third-party agents will comply strictly with such laws. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse effect on the Company's reputation, compliance with material contracts, and results of its operations.

(o) ***The Company is exposed to the possibility that applicable taxation authorities could take actions that result in increased tax***

The Company pays or will pay upon the commencement of future operations in the future, a variety of taxes, fees and other governmental charges in connection with the operation of its business, including income taxes, mining royalties, ad valorem property taxes, sales and use taxes, social security contributions and various assessments. These taxes, fees and other charges are assessed by a variety of taxing authorities pursuant to applicable laws, regulations and rules. From time to time, the Company may also enter into specific agreements with such taxing authorities that provide for the reduction, abatement or deferral of such taxes, fees or charges in exchange for certain payments or undertakings on the Company's part. If the Company enters into any such arrangements, the Company can give no assurance that any such reduction, abatement or deferral arrangements will be honored or that the applicable taxing authorities will not take actions that materially increase the amount of such taxes, fees or other governmental charges that the Company is required to pay. Additionally, the Company may incur additional and unanticipated costs and expenses in connection with the Company's efforts to resist any proposed increases in such taxes, fees or other charges or in connection with the Company's efforts to enforce any reduction, abatement or deferral arrangements that the Company has previously put in place.

In addition, the Czech government may implement changes to the tax regime that may affect the Company, or transactions the Company enters into may have unknown tax liabilities. These changes could include changes in prevailing tax rates and the imposition of new or temporary taxes, the proceeds of which are earmarked for designated government purposes. Changes and unknown tax consequences from transactions may result in increases in the Company's tax payments, which could have an adverse effect on the Company's operations or profitability. The Company cannot provide assurance that it will be able to be profitable following any increases in taxes applicable to the Company and the Company's operations.

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of subscribing for Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

**(p) *The Company may be subject to legal or illegal opposition and legal proceedings***

The Company may be subject to regulatory investigations, civil claims, lawsuits and other proceedings in the ordinary course of its business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in regulatory actions and litigation, the difficulty of predicting decisions of regulators, judges and juries and the possibility that decisions may be reversed on appeal. Defence and settlement costs of legal disputes can be substantial, even with claims that have no merit. Management is committed to conducting business in an ethical and responsible manner, which it believes will reduce the risk of legal disputes. However, if the Company is subject to legal disputes, there can be no assurances that these matters will not have a material adverse effect on the Company's business, rights, financial condition, results of operations, cash flows or prospects.

Additionally, the Czech legal system is relatively young and continues to evolve at a rapid pace. Accordingly, there is often limited jurisprudence and authoritative opinion on commercial issues, which in turn makes legal outcomes less predictable. It may also be noted that European Union law continues to evolve in terms of interpretation and application to local laws and contracts governed thereunder. Furthermore, the legal system in the Czech Republic, like any country, has inherent uncertainties that could limit the legal protections available to the Company, which include: (i) inconsistencies between and within laws; (ii) limited judicial and administrative guidance on interpreting legislation, particularly that relating to business, corporate, mineral extraction, and securities laws; (iii) substantial gaps in the regulatory structure due to a delay or absence of enabling regulations; (iv) a lack of judicial independence from political, social and commercial forces; (v) corruption; and (vi) bankruptcy procedures that are subject to abuse, any of which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects. Furthermore, it may be difficult to obtain swift and equitable enforcement of a judgement in the Czech Republic, or to obtain enforcement of a judgement by a court of another jurisdiction, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

**(q) *Inability to meet conditions under Convertible Loan Facility and risk of default***

The Company is subject to restrictive covenants and numerous conditions under the Convertible Loan Facility, many of which become events of default if not completed by certain deadlines. If the Company does not raise sufficient funding, it will be unable to complete the various conditions under the Convertible Loan Facility and will be in default unless certain waivers are obtained by Orion, which are only requests by the Company and are not guaranteed. The Company's Convertible Loan Facility is secured by a first ranking charge over the assets of Mangan including by a pledge of the shares of Mangan, and by a guarantee from the Company. Events may occur in the future, including events out of the Company's control, that could cause the Company to fail to satisfy its obligations under the Convertible Loan Facility and become in default, or fail to comply with other debt instruments that may arise. In such circumstances, Orion may issue a termination notice, and amounts drawn under the Company's debt agreements would become due and payable before the agreed maturity date, and the Company may not have the financial resources to repay such amounts when due. In this situation, Orion could enforce its security and seize the Company's assets.

(r) **Negative cash flow, no history of production and no revenue from operations**

The Company has a limited history of operations, with no revenues and no history of earnings, cash flow or profitability. The Company has had negative operating cash flow since its inception, and it will continue to have negative operating cash flow for the foreseeable future given that the Chvaletice Manganese Project is at the development stage. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The Company has no source of operating cash flow and no assurance that additional funding will be available for development of the Chvaletice Manganese Project when required. No assurance can be given that the Company will ever attain positive cash flow or profitability.

(s) **Future acquisitions**

As part of the Company's business strategy, the Company may seek to grow by acquiring companies and/or assets or establishing joint ventures that the Company believes will complement the Company's current or future business. The Company may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel or acquire assets for the Company's business. The Company cannot guarantee that the Company can complete any acquisition the Company pursues on favourable terms, or that any acquisitions completed will ultimately benefit the Company's business. The Company is pursuing a growth strategy in North America that is uncertain, subject to a number of risks, and may never materialize.

### 7.3 Industry specific risks

(a) **Operating hazards and risks**

Mineral exploration and development involve risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in work stoppages, damage to or destruction of property, loss of life and environmental damage.

The Company currently carries a US\$5 million general liability policy to insure against such risks, and also ensures that its contractors have adequate insurance coverage. However, the nature of these risks is such that liabilities might exceed any insurance policy limits, the liabilities and hazards might not be insurable, or the Company might not elect to insure ourselves against such liabilities due to high premium costs or other factors. Such liabilities may have a materially adverse effect upon the Company's financial condition.

(b) **Competition and the use of alternative battery chemistries**

The mineral exploration, development, and extraction industry is intensely competitive. The Company competes with other mining companies, many of which have greater financial resources and technical expertise. Competition in the mining industry is primarily for: (i) properties which can be developed and can produce economically; (ii) the technical expertise to find, develop, and operate such properties; (iii) labour to operate such properties; and (iv) capital to fund such properties. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees and consultants or to acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.



Many competitors not only explore for and mine minerals but conduct refining and marketing operations on a worldwide basis. In the future, the Company may also compete with such mining companies in refining and marketing its products to international markets. These companies may be better funded, have lower production costs, have stronger relationships with customers of manganese products may be better capable of securing access to markets for their competing manganese products. Additionally, while manganese-based cathode batteries continue to dominate the electric vehicle battery industry and are expected to continue to do so, technological breakthroughs may radically change the battery chemistry landscape. While some electric vehicle battery manufacturers have announced significant investments in gigafactories intended to produce manganese-based batteries, some segments of the electric vehicle battery industry have opted for batteries using no manganese. Any inability to successfully compete with established competitors and any technological breakthroughs which result in the use of alternate battery chemistries requiring less manganese or no manganese could also have a material adverse effect on the Company's business, the market and prices for its products, financial condition, results of operations, cash flows or prospects.

(c) ***Fluctuating mineral prices***

HPEMM and or HPMSM, high-purity manganese products, are the products intended to be produced at the Chvaletic Manganese Project. The profitability of the Chvaletic Manganese Project will be significantly affected by changes in the market prices of these products. Prices of HPEMM and HPMSM, as well as certain metals or products in the production of which HPEMM and HPMSM are consumed, such as steel and aluminum alloys, as well as lithium ion battery precursor materials, fluctuate and historically have been subject to significant annual price fluctuations and are affected by numerous factors beyond the control of the Company such as the level of interest rates, the rate of inflation, central bank transactions, world supply and demand of steel and other metals, foreign currency exchange rates, international investments, monetary systems, speculative activities, international economic conditions, political developments and the production levels and production costs in key mineral producing countries. As a result, there is no assurance that, even if commercial quantities of mineral resources are discovered, that mineral prices will be such that the Company will be profitable.

Fluctuations in the prices of HPEMM and HPMSM could adversely affect the Company's financial performance and results of operations. Further, if the market price of these metals falls or remains depressed, the Company may experience losses or asset write-downs and may curtail or suspend some or all of the Company's exploration, development and mining activities.

(d) ***Social and environmental activism can negatively impact exploration, development and mining activities***

There is an increasing level of public concern relating to the effects of resource extraction on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations (**NGOs**) who oppose resource development can be vocal critics of the resource extraction industries. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Company seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, NGOs or local community organizations could direct adverse publicity against and/or disrupt the operations of the Company in respect of one or more of its properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or the Company's operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial

condition of the Company or its relationships with the communities in which it operates, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

#### **7.4 General Risks**

(a) ***Liquidity of CDIs***

There may be relatively few potential buyers or sellers of the CDIs on the ASX at any time. This may increase the volatility of the price of the CDIs. It may also affect the prevailing market price at which Shareholders are able to sell their CDIs. This may result in a market price being received which is less than the price that Shareholders paid to acquire their CDIs.

(b) ***Investment risks***

As with any stock market investment, there are various risks associated with investing in the Company. Potential investors should consider whether the CDIs offered under this Prospectus are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out in this section. Many of these risk factors are outside the Directors' control. Whilst some common risk factors are set out in this section, it is not possible to produce an exhaustive list. The Directors recommend that potential investors consult their professional advisers before deciding whether to apply for Securities.

(c) ***Adverse changes to government policy and taxation***

Changes in relevant taxation laws, interest rates, other legal, legislative and administrative regimes, and government policies, may have an adverse effect on the assets, operations and ultimately the Company's financial performance. These factors may ultimately affect the Company's financial performance and the market price of the Securities.

(d) ***Insurance risks***

The Company's operations are insured in accordance with industry practice, however in certain circumstances, the Company's insurance may not be of a nature or the level to provide adequate insurance cover. The occurrence of an event that is not covered or not fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(e) ***Inadequate insurance, uninsured or uninsurable risks***

The Company's business is subject to a number of risks and hazards. Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its activities, including current and any future mining operations. The Company may also be unable to obtain or maintain insurance to cover its risks at economically feasible premiums, or at all. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development or production may not be available to the Company on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it is not currently insured against and/or in the future may not insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

(f) ***Claims, liability and litigation***

Although the Company is not currently involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company, the risk of litigation remains a general risk to the Company. The Company may incur costs in making payments to settle any such claims which may not be adequately covered by insurance or at all. Any litigation or settlement may have an adverse impact on the Company's financial position.

(g) ***Global economic uncertainty***

Changes in the global economic environment have created market uncertainty and volatility in recent years. The market and demand for metal commodities and related products has in recent years been adversely affected by global economic uncertainty, reduced confidence in financial markets, the COVID-19 pandemic, bank failures and credit availability concerns. These macro-economic events negatively affected the mining and minerals sectors in general. Global financial conditions remain subject to sudden and rapid destabilizations in response to economic shocks. A slowdown in the financial markets or other economic conditions, including but not limited to consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's growth and profitability. Future economic shocks may be precipitated by a number of causes, including the ongoing European debt situation, a rise in the price of oil and other commodities, the volatility of metal prices, geopolitical instability, terrorism, the devaluation and volatility of global stock markets and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact the Company's ability to obtain equity or debt financing in the future on terms favourable to the Company or at all. In such an event, the Company's operations and financial condition could be adversely impacted.

The Company assesses on a quarterly basis the carrying values of its exploration and evaluation assets. Should market conditions and commodity prices worsen and persist in a worsened state for a prolonged period of time, an assessment of the Company's mineral properties for impairment may be required

(h) ***Global financial conditions can reduce the price of the Securities***

Following the onset of the credit crisis in 2008, global financial conditions were characterized by extreme volatility and several major financial institutions either went into bankruptcy or were rescued by governmental authorities. While global financial conditions subsequently stabilized, there remains considerable risk in the system given the extraordinary measures adopted by government authorities to achieve that stability. Global financial conditions could suddenly and rapidly destabilize in response to future economic shocks, as government authorities may have limited resources to respond to future crises. Future economic shocks may be precipitated by a number of causes, including a rise in the price of oil, geopolitical instability, globally pandemics and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact the Company's ability to obtain equity or debt financing in the future on terms favourable to the Company. Additionally, any such occurrence could cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. Further, in such an event, the Company's operations and financial condition could be adversely impacted.

Furthermore, general market, political and economic conditions, including, for example, inflation, interest and currency exchange rates, structural changes in the global mining industry, global supply and demand for commodities, political developments, legislative or regulatory changes, social or labour unrest and stock market trends will affect the Company's operating environment and its operating costs, profit margins and share price.

Any negative events in the global economy could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

## **7.5 Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

## **7.6 Risks Relating to the Securities**

### **(a) *Liquidity and future financing risk***

The Company is in the early stages of its business and has no source of operating revenue. The Company will likely operate at a loss until the Company puts the Chvaletice Manganese Project into production. The Company's ability to secure any required financing to sustain operations will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on satisfactory terms, if at all. If additional financing is raised by issuance of additional Securities from treasury, control may change, and shareholders may suffer dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may be required to scale back its current business plan or cease operating.

### **(b) *Currency fluctuations can result in unanticipated losses***

The Company maintains its accounting records and reports its financial position and results in Canadian dollars, but a portion of the Company's operating and capital expenses are or will be incurred in Czech Koruna and U.S. dollars, and the high-purity manganese products that the Company expects to produce from the Chvaletice Manganese Project will be sold based principally on a U.S. dollar price. Exchange rate fluctuations in these currencies are beyond the Company's control and such fluctuations could have an adverse effect on the Company's business, financial condition and results of operations.

### **(c) *Share or CDI Price Fluctuations***

In recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons unrelated to the operating performance of these companies. The market price of the Shares and/or CDIs could similarly be subject to wide fluctuations in response to a number of factors, most of which the Company cannot control, including, but not limited to:

- (i) fluctuations in the market price of mineral resources;
- (ii) the public's reaction to the Company's press releases, announcements and filings with Canadian and Australian securities regulatory authorities and those of its competitors;

- (iii) fluctuations in broader stock market prices and volumes;
- (iv) changes in market valuations of similar companies;
- (v) investor perception of the Company's industry or prospects;
- (vi) additions or departures of key personnel;
- (vii) commencement of or involvement in litigation;
- (viii) changes in environmental and other governmental regulations;
- (ix) announcements by the Company or its competitors of strategic alliances, significant contracts, new technologies, acquisitions, commercial relationships, joint ventures or capital commitments;
- (x) variations in the Company's quarterly results of operations or cash flows or those of other comparable companies;
- (xi) revenues and operating results failing to meet the expectations of securities analysts or investors in a particular quarter;
- (xii) the extent to which COVID-19 impacts the market for the Company's securities which depend on future developments that are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the COVID-19 pandemic and the actions taken to contain or treat the COVID-19 pandemic;
- (xiii) the expiration of lock-up or other transfer restrictions on outstanding Shares and/or CDIs;
- (xiv) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related industry and market issues affecting the mining sector;
- (xv) future issuances and sales of Shares, CDIs or of debt securities of the Company;
- (xvi) demand for and trading volume of Shares and/or CDIs;
- (xvii) changes in securities analysts' recommendations and their estimates of the Company's financial performance; and
- (xviii) changes in general conditions in the domestic and worldwide economies or financial markets.

The realization of any of these risks and other factors beyond the Company's control could cause the market price of the Shares and/or CDIs to decline significantly.

Additionally, as the Shares are traded on the TSXV and the CDIs are traded on the ASX, there is a possibility that there will be substantial price and volume disparities between the two markets.

(d) ***Dividends to Shareholders***

The Company has not, since the date of its incorporation, declared or paid any dividends or other distributions on its Shares. The Company does not anticipate paying cash dividends on the Shares in the foreseeable future. The Company currently intends to retain all future earnings to fund the development and growth of its business. Any payment of future dividends will be at the discretion of the directors and will depend on, among

other things, the Company's earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends, and other considerations that the directors deem relevant. Investors must rely on sales of their Securities after price appreciation, which may never occur, as the only way to realize a return on their investment.

(e) ***Securities or Industry Analysts***

The trading market for Shares and/or CDIs could be influenced by research and reports that industry and/or securities analysts may publish about the Company, its business, the market or competitors. The Company does not have any control over these analysts and cannot assure that analysts will cover it or provide favourable coverage. If any of the analysts who may cover the Company's business change their recommendation regarding the Company's stock adversely, or provide more favourable relative recommendations about its competitors, the stock price would likely decline. If any analyst who may cover the Company's business were to cease coverage or fail to regularly publish reports on the Company, it could lose visibility in the financial markets, which in turn could cause the stock price or trading volume to decline.

(f) ***Dilution from future equity financings***

In order to execute the Company's growth strategy, the Company may from time to time raise funds through the issuance of Shares and/or CDIs or the issuance of debt instruments or other securities convertible into Shares and/or CDIs. The Company cannot predict the size or price of future issuances of Shares and/or CDIs or the size or terms of future issuances of debt instruments or other securities convertible into Shares and/or CDIs, or the effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Shares and/or CDIs. Sales or issuances of substantial numbers of Shares and/or CDIs, or the perception that such sales or issuances could occur, may adversely affect prevailing market prices of the Shares and/or CDIs. With any additional sale or issuance of Shares and/or CDIs, or securities convertible into Shares and/or CDIs, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

(g) ***Public companies are subject to securities class action litigation risk***

In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. If the Company faces such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could materially harm its business.

(h) ***It may be difficult to enforce judgements and effect service of process on directors and officers***

Some of the directors and officers of the Company reside outside of Canada, and some or all of the assets of those persons may be located outside of Canada. Therefore, it may not be possible for investors to collect or to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable Canadian Securities Laws against such persons. Moreover, it may not be possible for investors to effect service of process within Canada upon such persons.

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## **8. Additional Information**

### **8.1 Litigation**

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### **8.2 Continuous Disclosure Obligations**

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

Under section 677 of the Corporations Act, a reasonable person is taken to expect information to have a material effect on the price or value of the Company’s quoted securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company’s quoted securities.

The Offer is an offer of CDIs which are ‘continuously quoted securities’ for the purposes of the Corporations Act, and Warrants to acquire CDIs.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities (and, if the securities are options, the rights and liabilities attaching to the options and the underlying securities). It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus has also been prepared for the offer of SPP Warrants, the Placement Warrants, the Broker Warrants and the Additional Warrants such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available. Specifically, if these warrants are issued with disclosure under this Prospectus, then those warrants as well as the Securities issued upon the exercise of such warrants can be on-sold within 12 months of their issue without a disclosure document for the on-sale offer (even if the Securities were issued without disclosure or lodgement of a cleansing statement), as the SPP Warrants, the Placement Warrants, the Broker Warrants and the Additional Warrants are issued with disclosure and the exercise of such warrants does not involve any further offer.

This Prospectus is issued in circumstances where significant publicly available information in relation to the Company exists by virtue of disclosures to ASX. This Prospectus does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors are encouraged to have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Information that is already in the public domain has not generally been included in this Prospectus other than certain information required to be included in this Prospectus by the Corporations Act.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company or may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (i) the annual financial report most recently lodged by the Company with ASIC;
- (ii) any half-year financial report lodged by the Company with ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act or any document lodged in relation to the Company under section 675 of the Corporations Act which are given or lodged with ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with ASIC or ASX in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with ASIC are set out in the table below.

<b>Date</b>	<b>Description of announcement</b>
20 December 2024	Appendix 4G
20 December 2024	Corporate Governance Statement (Corporate Governance)
20 December 2024	Annual Information Form (Periodic Reports – Other)
8 January 2025	Statement of CDIs on issue – EMN (Alteration to issued capital)
22 January 2025	Notification of cessation of securities – EMN (Appendix 3H)
24 January 2025	Euro Manganese Achieves Major Permitting Milestone (Progress Report)
24 January 2025	Corporate Presentation – January 2025 (Company Presentation)
3 February 2025	Notification of cessation of securities – EMN (Appendix 3H)
3 February 2025	Statement of CDIs on issue – EMN (Alteration to issued capital)
5 February 2025	Notification of cessation of securities – EMN (Appendix 3H)
13 February 2025	MANAGEMENT'S DISCUSSION AND ANALYSIS-THREE MONTHS – 31/12/24 (Periodic Reports – Other)
13 February 2025	INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Half Year Accounts)
3 March 2025	Statement of CDIs on issue – EMN (Alteration to issued capital)
4 March 2025	Trading Halt
6 March 2025	Suspension from Official Quotation



<b>Date</b>	<b>Description of announcement</b>
6 March 2025	Placement, Capital Reconstruction and Security Purchase Plan
6 March 2025	Proposed issue of securities – EMN (Appendix 3B)
6 March 2025	Proposed issue of securities – EMN (Appendix 3B)
6 March 2025	Proposed issue of securities – EMN (Appendix 3B)
6 March 2025	Proposed issue of securities – EMN (Appendix 3B)
6 March 2025	Proposed issue of securities – EMN (Appendix 3B)
6 March 2025	Proposed issue of securities – EMN (Appendix 3B)
6 March 2025	Reinstatement to Official Quotation
10 March 2025	Update – Proposed issue of securities – EMN (Appendix 3B)
10 March 2025	Update – Proposed issue of securities – EMN (Appendix 3B)
10 March 2025	Update – Proposed issue of securities – EMN (Appendix 3B)
10 March 2025	Update – Proposed issue of securities – EMN (Appendix 3B)
10 March 2025	Update – Proposed issue of securities – EMN (Appendix 3B)
10 March 2025	Update – Proposed issue of securities – EMN (Appendix 3B)
20 March 2025	EMN's Project Declared Strategic Deposit by Czech Government (Progress Report)
26 March 2025	Pause in Trading (Notice Pending)
26 March 2025	Strategic Project Update (Progress Report)
31 March 2025	Euro Manganese Announces Share Consolidation (Capital Reconstruction)
31 March 2025	Consolidation/Split – EMN (Capital Reconstruction)
31 March 2025	Trading Halt
1 April 2025	Statement of CDIs on issue – EMN (Alteration to issued capital)
2 April 2025	EMN Announces Upsizing to Previously Announced Financing (Placement)
2 April 2025	Update - Proposed issue of securities – EMN (Appendix 3B)
2 April 2025	Update - Proposed issue of securities – EMN (Appendix 3B)
2 April 2025	Update - Proposed issue of securities – EMN (Appendix 3B)

Date	Description of announcement
2 April 2025	Update - Proposed issue of securities – EMN (Appendix 3B)
2 April 2025	Update - Proposed issue of securities – EMN (Appendix 3B)
2 April 2025	Update - Proposed issue of securities – EMN (Appendix 3B)
7 April 2025	Change of Director's Interest Notice
7 April 2025	Change of Director's Interest Notice
7 April 2025	Change of Director's Interest Notice
14 April 2025	Appointment of Chairman and Financing Update
16 April 2025	Notice of General Meeting/Proxy Form
16 April 2025	Initial Directors Interest Notice

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours or via the ASX's website at [www.asx.com.au](http://www.asx.com.au).

The announcements are also available through the Company's website at [www.mn25.ca](http://www.mn25.ca).

### 8.3 Market price of CDIs

The highest, lowest and last market sale prices of the CDIs as traded on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Type	Price	Date
Highest	A\$0.31	3 April 2025
Lowest	A\$0.18	19 March 2025
Last	A\$0.275	22 April 2025

### 8.4 Joint Lead Managers Mandate

Canaccord Genuity and Foster Stockbroking were appointed as joint lead managers to the Offer and the Placement under a mandate dated 14 January 2025 and revised 31 March 2025 and under which Canaccord Genuity and Foster Stockbroking are entitled to be paid 6% of the aggregate gross proceeds from the Offer and Placement to a cap of CAD\$8 million (A\$8.8m).

Further, the Joint Lead Managers will be issued Broker Warrants. The Broker Warrants are exercisable any time prior to the date that is 24 months from 23 May 2025 and have an exercise price of CAD\$0.225 per Share.

## 8.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offer.

## 8.6 Director Security holdings

The relevant interest of each of the Directors (and their associates) in the Securities of the Company as at the date of this Prospectus is set out in the table below based on information available to the Company through the Share Registry.

Director	Current Security Holdings	
	Shares or CDIs (as applicable)	Options
John Webster	286,043 Shares	404,000
David B. Dreisinger	219,682 Shares	374,000
Thomas M. Stepien	8,000 Shares	184,000
Ludivine Wouters	Nil	Nil
Rick Anthon	Nil	Nil

## 8.7 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or

- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (f) the Offer or Placement (or any component of it) itself,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer or Placement.

MinterEllison has acted as the solicitors to the Company in relation to the Offer or Placement. The Company estimates it will pay MinterEllison A\$76,500 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, MinterEllison has been paid fees totalling A\$47,500 (excluding GST and disbursements) for legal services provided to the Company. Further amounts may be paid to MinterEllison in accordance with their usual time based charge out rates.

The Joint Lead Managers will be paid a fee of 6% of the aggregate gross proceeds from the funds raised under the Offer and Placement, being up to a maximum of A\$63,000 in respect of the Offer and Placement (assuming the maximum number of Securities are issued under the Offer and the Placement and excluding GST). During the 24 months preceding lodgement of this Prospectus with ASIC, the Joint Lead Managers have not been paid any fees by the Company.

## **8.8 Consents**

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) has not authorised or caused the issue of this Prospectus; and
- (c) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and any statement included in this Prospectus with the consent of that party as specified in this Section;

MinterEllison has given its written consent to being named as the solicitors to the Company in this Prospectus. MinterEllison has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

The Joint Lead Managers have given their written consent to being named as the Joint Lead Managers to the Company in this Prospectus. The Joint Lead Managers have not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

## **8.9 Estimated Expenses of Offer**

The estimated expenses of the Offer are estimated to be approximately A\$226,100 (excluding GST) if the Offer is fully subscribed and is expected to be applied towards the items set out in the table below:

Item	Costs (SPP fully subscribed)
ASIC Lodgement Fees	A\$3,500
Legal Costs	A\$76,500
Joint Lead Manager Fees	A\$61,000
Printing and distribution	A\$63,000
Miscellaneous	A\$22,100
<b>Total</b>	<b>A\$226,100</b>

### 8.10 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

### 8.11 Clearing House Electronic Sub-Register System (“CHESS”) and Issuer Sponsorship

The Company will not be issuing Security certificates. The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of SPP Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

### 8.12 Taxation

The Company does not propose to give any taxation advice and neither the Company, its Directors nor its officers accept any responsibility or liability for any taxation consequence to Applicants. Applicants should consult their own professional tax advisers in regard to taxation implications of the Offer.

### 8.13 Privacy Act

If you complete an application for SPP Securities, you will be providing personal information to the Company (directly or by the Company’s Share Registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company’s Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its Share Registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

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## 9. Directors' Consent

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented in writing to the lodgement of this Prospectus with ASIC.



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**Rick Anthon**  
**Chairman**

For and on behalf of  
Euro Manganese Inc.

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## 10. Glossary

**A\$** means Australian dollars.

**AGM** means the annual and special general meeting of the Company to be held on 15 May 2025, Vancouver, Canada time.

**AEST** means Australian Eastern Standard Time as observed in Sydney, New South Wales.

**AEDT** means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

**Additional Warrants** has the meaning given to that term in Section 3.1 of this Prospectus.

**Applicant** means an investor that applies for SPP Securities under an Offer using the relevant Application Form pursuant to this Prospectus.

**Application** means an application made by an Eligible Securityholder on a personalised Application Form to apply for the SPP Securities under the Offer in accordance with this Prospectus.

**Application Form** means the Application Form as relevant to each Offer (accompanying this Prospectus).

**Articles** has the meaning given to that term in Section 6.1 of this Prospectus.

**ASIC** means the Australian Securities and Investments Commission.

**ASIC Instrument** means ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Settlement** means ASX Settlement Pty Ltd (ABN 49 008 504 532) or the settlement facility provided by it (as the context requires).

**ASX Settlement Operating Rules** means the operating rules of the settlement facility provided by ASX Settlement (as amended from time to time).

**ASX Listing Rules** means the listing rules of the ASX as amended or waived in respect of the Company from time to time.

**BCBCA** means the *Business Corporations Act* (British Columbia).

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**Broker Warrants** has the meaning given to that term in Section 3.1 of this Prospectus.

**CAD** means Canadian dollars.

**CDI** means a CHESSE Depository Interests in relation to the capital of the Company.

**CDN** means a CHESSE Depository Nominee.

**CHESSE** means Clearing House Electronic Sub-register System operated in accordance with the Corporations Act.

**Class Order** has the meaning given to that term in Section 6.3 of this Prospectus.

**Canaccord Genuity** means Canaccord Genuity (Australia) Limited (ACN 075 071 466).

**Closing Date** means the closing date for the Offer as specified in the timetable set out in the indicative timetable in this Prospectus, being 9 May 2025.

**Company** means Euro Manganese Inc. (ARBN 627 968 567).

**Consolidation** has the meaning given to that term in section 3.2 of this Prospectus

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Custodian** has the meaning given to that term in Section 4.2 of this Prospectus.

**Custodian Certificate** has the meaning given to that term in Section 4.2 of this Prospectus.

**Derivative Action** has the meaning given to that term in Section 6.4(h) of this Prospectus.

**Directors** means directors of the Company at the date of this Prospectus.

**Dollar** or "**A\$**" means Australian dollars.

**EBRD** means the European Bank for Reconstruction and Development.

**Eligible Securityholders** means Shareholders with a registered address in Australia and New Zealand who were registered holders of Shares on the Record Date.

**Expiry Date** means:

- (a) in relation to the SPP, Placement and Additional Warrants, 23 November 2026 (being 18 months after the date of issue); or
- (b) in relation to the Broker Warrants, 23 May 2027 (being 24 months after the date of issue).

**Expiry Time** has the meaning given to that term in Section 6.2(b) of this Prospectus.

**Foster Stockbroking** means Foster Stockbroking Pty Limited (ACN 088 747 148).

**Joint Lead Managers** mean Canaccord Genuity and Foster Stockbroking.

**Meeting** has the meaning given to that term in Section 3.5 of this Prospectus.

**MI 61-101** has the meaning given to that term in Section 6.4(l) of this Prospectus.

**NI 58-101** has the meaning given to that term in Section 6.4(i) of this Prospectus.

**NGO** has the meaning given to that term in Section 7.3(d) of this Prospectus.

**Offer** has the meaning given to that term on the cover page of this Prospectus.

**Official Quotation** means official quotation on ASX or TSXV.

**Orion** means OMRF (BK) LLC.

**Opening Date** means the opening date for the Offer as specified in the timetable set out in the indicative timetable in this Prospectus, being 28 April 2025.

**Placement Shares** has the meaning given to that term in Section 3.1 of this Prospectus.

**Placement CDIs** has the meaning given to that term in Section 3.1 of this Prospectus.

**Placement Warrants** has the meaning given to that term in Section 3.1 of this Prospectus.

**Placement** has the meaning given to that term in Section 3.1 of this Prospectus.

**Record Date** means the record date for the Offer, being 5 March 2025.

**Related Parties** has the meaning given to that term in Section 3.1 of this Prospectus.

**Section** means a section of this Prospectus.

**Security** means a Share, a CDI or a Warrant.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means the holder of a Share or CDI.

**Shareholder Proposal** has the meaning given to that term in Section 6.4(b) of this Prospectus.

**Share Registry** means the company noted in the Corporate Directory in Section 1 of this Prospectus.

**SPP** means the Company's securities purchase plan.

**SPP Warrants** means the Warrants offered pursuant to the Offer on the terms and conditions set out in Section 6.2 of this Prospectus.

**SPP Securities** means the SPP CDIs and SPP Warrants offered pursuant to the Offer.

**SPP CDIs** means the CDIs offered pursuant to the Offer.

**Subscription Rights** has the meaning given to that term in Section 6.2 of this Prospectus.

**TMD** means target market determination as set out in Section 2.4 of this Prospectus.

**TSXV** means TSX Venture Exchange.

**TSXV Rules** has the meaning given to that term in Section 6.3 of this Prospectus.

**Warrant** means an irrevocable option granted by the Company to purchase Shares or CDIs of the Company, at a pre-determined price, at any time on or before the warrant's expiry date.

**Warrant Exercise Price** has the meaning given to that term in section 6.2(a) of this Prospectus.